

Arafat Is Seen as Only Winner In Accord on Beirut Fighting

By Jonathon C. Randal
Washington Post Service

DAMASCUS — The Syrian-engineered accord designed to end the long siege of Palestinian refugee camps in Beirut represents, in the view of some experienced diplomats here, a retreat for Damascus and all other major parties except Yasser Arafat's Palestine Liberation Organization, which rejected it.

The accord, put together by Abd Halim Khaddam, the Syrian vice president in charge of Lebanese affairs, was signed by the Shiite Moslem Amal faction in Lebanon and by the Damascus-based Palestine National Liberation Front. Announced here Monday night, the accord acknowledged

that neither Damascus nor its Shiite allies in Lebanon had succeeded in bringing the Palestinian defenders of the refugee camps under control.

That failure, in the view of the diplomats, was evident in a clause stipulating that the Palestinians were entitled to keep their light weapons. Those are the only arms that can be used effectively in the street fighting for control of the camps.

As in the past, the Palestinians promised to surrender their few heavy and medium weapons, but only at some vague point in the future when all other armed factions in Lebanon did likewise.

The Palestinians also made an important point by insisting that

neither Damas-

cus nor its allies in Lebanon had succeeded in bringing the Palestinian defenders of the refugee camps under control.

The agreement thus tacitly con-

ceded that the Palestinians would continue to police their camps and enjoy the state-within-a-state status that Amal has sworn to end.

Politically, the Syrians did make a potentially important point, at least on paper.

They obtained the support of the Druze Moslem leader, Walid Jumblat, and other Lebanese political allies for their contention that the Damascus-based Palestinian forces and not Mr. Arafat's mainstream PLO should be the legitimate voice of Palestinians in Lebanon.

But most of the Palestinian fighters in Beirut are Arafat loyalists, according to the diplomats here, and even the Damascus-based Palestinians have been vehement in denouncing Syria's role in the siege of the camps.

■ Wounded Are Evacuated

Red Cross ambulances evacuated wounded persons from the besieged Palestinian refugee camp of Borge Barjini on Wednesday as fierce fighting also raged in southern Lebanon between Syrian-backed Moslem and pro-Israeli forces, Reuters reported from Beirut.

Witnesses said that 12 ambulances had collected wounded from inside the camp in the biggest relief operation there since the Shiite-Palestinian fighting began May 19.

A Palestinian official, Fadi Shou, who toured Borge Barjini on Tuesday and the Chatila camp on Wednesday under the Syrian-brokered cease-fire, said there were at least 200 wounded in the camps, with thousands trapped in squatters in Chatila.

■ Assad in Moscow

President Hafez al-Assad of Syria flew into Moscow on Wednesday and was expected to hold talks with the Soviet leader, Mikhail S. Gorbachev, on the situation in the Middle East and in Beirut in particular.

President Ronald Reagan said

Tuesday at his news conference that despite criticism of his policy of "constructive engagement" toward South Africa, the United States would pursue the close relationship even after Pretoria's recent military actions.

Mr. Reagan ruled out a break in

diplomatic relations, saying, "We think we have been successful in getting some concessions there and some changes in their policy of apartheid, which we all find repugnant, and we're going to continue doing that."

Mr. Botha said: "The international community should be in no doubt with regard to South Africa's resolve and ability to maintain itself at home, now and in the future. We can solve our problems without international meddling."

In reference to the campaign in the United States for cuts in American investment in South Africa, Mr. Botha said: "If there are elements in Washington who think South Africa is going to be run by the U.S., then it must be made quite clear that these elements are heading for a confrontation with the South African government and people."

In recent months, South Africa has been the target of much international criticism for its handling of deep-rooted unrest in black townships, where more than 400 people have died since September.

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House Votes 40-MX Limit

(Continued from Page 1)

12 new missiles this year with the House position of zero. Since Congress has already authorized the purchase of 42 missiles in previous years, any weapons that exceeded the deployment limit would be used for spares and test purposes.

At his news conference Tuesday night, Mr. Reagan repeated his support for the MX and said it was vital to the modernization of the U.S. strategic force. "We need it," he said.

Mr. Reagan also said it had become possible to strengthen the missiles to the point at which they could sustain a "very direct hit" from a Soviet missile.

However, many lawmakers have come to believe that other strategic systems, such as the submarine-based D-5 missile, offer much more protection than the MX. They have also decided that a smaller and more mobile missile, the Midgetman, will become available in the next few years and fill the gap left by the truncated MX program.

A third reason for the Tuesday vote was a rising fear about budget deficits that would force Congress to make difficult choices about weapons systems for the foreseeable future.

I have directed the secretary of state to issue an immediate travel advisory for U.S. citizens traveling through the Athens International Airport warning them of dangers.

This warning shall remain in effect until the Greek government has improved the security situation there and until it has demonstrated a willingness to comply with the security provisions of the U.S.-Greek Civil Aviation Agreement and the Tokyo, Montreal and Hague Conventions regarding prosecution and punishment of air pirates.

I have asked for a full explana-

'U.S. Is a Nation Being Attacked by Terrorists'

The Associated Press

WASHINGTON — Following is an excerpted transcript of President Ronald Reagan's opening remarks at his news conference Tuesday night on the hijacking crisis:

The United States is tonight a nation being attacked by international terrorists, who wantonly kill and who seize our innocent citizens as their prisoners.

In response to this situation, I'm directing that the following steps be taken:

I have directed the secretary of transportation, in cooperation with the secretary of state, to explore immediately an expansion of our armed sky marshal program aboard international flights of U.S. air carriers, for better protection of passengers.

I'm calling on all allied and friendly governments to redouble their efforts to improve airport security and take other measures to

prevent the hijacking of aircraft. I have appealed through the Department of Transportation and the Federal Aviation Administration for all U.S. air carriers to review the wisdom of continuing any flights into Athens until the security situation there improves.

And further, I have asked Secretaries Shultz and Dole to report to me on whether we should terminate the service of foreign air carriers whose governments do not honor international conventions or provide adequate security at their airports.

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Efforts to Recruit U.S. Soldiers as Spies Rise Sharply, Army Says

By Richard Halloran
New York Times Service

WASHINGTON — The U.S. Army says there has been an increase in reports of attempts by Soviet and other East European intelligence services to recruit American soldiers as spies.

In interviews, army officers said there were 481 incidents last year in which soldiers reported being approached by persons they suspected of being Soviet or East European intelligence officers, or by sympathizers in nations such as West Germany. That was a 400-percent increase over 1978, the officers said.

Of those, they said, 94 cases were referred to army counterintelligence for possible action. That would include having the U.S. soldier act as a double agent to obtain information from those who had recruited him.

These contacts were disclosed after the army began a review of its security procedures following the arrest of four present or former U.S. Navy men accused by federal officials of participating in an espionage ring that the government says was headed by John A. Walker Jr.

The officers said that the army opened 124 investigations of suspected approaches in the three months ended Dec. 31, the most recent period for which statistics were available. The majority were in the United States; 37 were in Europe and 13 in the Pacific.

The army counterintelligence program, Subversion and Espionage Directed Against the Army, is mainly an educational effort in which soldiers are instructed on detecting signs of an intelligence approach and are cautioned to report those to their superiors.

A spokesman for the navy said that everyone in that service who has clearance to see secret material is briefed periodically on watching for approaches by intelligence agents. The spokesman said that possible attempts to recruit sailors had been spotted but the navy did not release such statistics.

A spokesman for the U.S. Air Force said that his service had a similar program in which large numbers of officers and enlisted personnel were briefed. No details on recent experience were available.

The army officers said many attempts to recruit U.S. soldiers as spies in Europe were made by Germans who might be Soviet agents or who were sympathetic to the Soviet Union.

In Europe, the officers said, soldiers whose families came from Eastern Europe have been targets for approach by East European intelligence services. U.S. soldiers are permitted to travel to Eastern Europe at times when they may visit relatives.

In such instances, the officers said, intelligence agents of the East European nation would suggest to the soldiers that life could be better for their relatives if they cooperated with the intelligence agents, or worse if they did not.

There are 225,000 U.S. soldiers stationed in Europe, most in West Germany.

The officers said that the increase in reported incidents under the army program could be attributed to a combination of more approaches to U.S. soldiers by foreign intelligence services and a greater alertness by the soldiers.

The officers were less confident that they had pre-

vented soldiers with access to secret information from taking the initiative and selling that data to a foreign government. That pattern has appeared in many recent espionage cases.

"How do you know there's no Walker in the army out there?" one officer asked. "You don't know."

■ Walker Case Described

Susan F. Rasky of The New York Times reported from Washington:

As the family drama in the Walker spy case continued to unfold, the daughter of John A. Walker Jr. described Tuesday how she and her mother decided to turn him in to the Federal Bureau of Investigation.

Laura Walker Snyder, in a television interview, said her mother suspected for more than a decade that Mr. Walker was a Soviet agent. Mrs. Snyder, who said her husband took their son when the couple separated three years ago, said she persuaded her mother to "turn my father in so that I can fight for my son."

He had confided in her husband, Phillip, when her father tried to recruit her for espionage, Mrs. Snyder said. After the couple separated, her husband threatened to tell what he knew if she tried to take their son. On Saturday, she went to her husband's home in Laurel, Maryland, and took the 5-year-old boy from the yard where he was playing.

Mrs. Snyder's comments, in which she discussed her religious conversion, came in an interview broadcast Tuesday morning on the Christian Broadcasting Network's "700 Club." It was the first indication available Monday, Mrs. Snyder said neither she nor her mother were aware then that Michael Walker had suspected them outside the immediate family had suspected Mr. Walker of espionage.

John and Barbara Walker were divorced in 1976. According to Mrs. Snyder, her mother suspected John Walker's spying activities as far back as 1969.

According to Mr. Evans, Barbara Walker contacted Mrs. Snyder earlier this year and said she was ready to go to the FBI to turn in John Walker "because she knew that otherwise she might never see her grandchild again."

In portions of the interview made available Monday, Mrs. Snyder said neither she nor her mother were aware then that Michael Walker would be implicated in the spy ring.

"My husband was blackmailing me," Mrs. Snyder said. "He told me that if I tried to get the baby he would turn my father in or tell what he knew and he would destroy the family."

In portions of the interview made available Monday, Mrs. Snyder, 25, said her father had tried to recruit her as a spy six years ago when she was an army communications specialist at Fort Polk, Louisiana. Mrs. Snyder's brother, Michael Walker, is one of those accused of participating in a navy spy ring that the authorities say was run by John Walker.

Mrs. Snyder said she was shocked by her father's offer to pay her for stealing secret documents and that she had told her husband about it. "He turned it on me," she said.

According to Guy C. Evans, associate counsel of the Christian Broadcasting Network, Mrs. Snyder had urged her mother for nearly three years to tell the authorities about John Walker's spying, but Mrs. Walker refused.

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U.S. Study Finds Cigarette Sales Falling Since '81

The Associated Press

WASHINGTON — Cigarette sales have fallen this decade for the first time since 1969, despite record advertising spending by tobacco companies, the Federal Trade Commission said Tuesday in a report to Congress.

Sales dropped from 636 billion cigarettes in 1981 to 632 billion in 1982, the agency said. In 1983, sales dropped again, to 584.4 billion.

Spending on advertising climbed to nearly \$2.7 billion in 1983.

"During 1982-83, cigarette manufacturers continued to concentrate on associating smoking with success and a luxurious lifestyle," the commission observed.



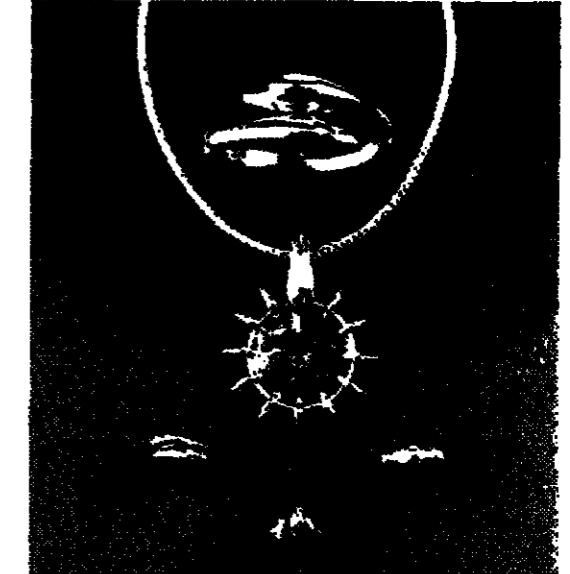
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Breaking new ground

Last summer, Uwe Hohn of GDR broke new ground in the javelin with a world record of 104.80 metres. That throw went unmatched — and virtually unchallenged — in a summer when East and West rarely met in athletics.

This summer, the best throwers, runners, jumpers, and vaulters will have 16 chances to meet in the IAAF Mobil Grand Prix. Sponsored by Mobil and organized by the International Amateur Athletic Federation, this first-ever international season got underway in San Jose, California, on 25 May, and culminates with the

Grand Prix finals in Rome on 7 September. Upcoming are the DN-Galan in Stockholm on 2 July and the World Games in Helsinki on 4 July.

Grand Prix points are awarded to athletes on the basis of their performances and times. World records gain extra points. At the conclusion of the overall Grand Prix, titles will be awarded to the outstanding male and female athletes and to the outstanding performers in each event.

With this competition, Mobil is pleased to be breaking new ground in athletics. That's the point of it all.



Here's the 1985 IAAF Mobil Grand Prix schedule:

Bruce Jenner's Bob Light Classic	San Jose, California	25 May	27 July
The Prefontaine Classic	Eugene, Oregon	1 June	2 August
Zharmenovskiy Memorial	Moscow	8 June	4 August
Rosicky Memorial	Prague	22 June	21 August
DN-Galan	Stockholm	2 July	23 August
World Games	Helsinki	4 July	25 August
Nikita	Nice	16 July	30 August
Peugeot Talbot Games	London	19 July	7 September

U.S. in Shift, Endorses Loan to Chile

Washington Post Service

WASHINGTON — The United States has reversed course in its policy toward Chile, voting in favor of a \$55 million development loan from the World Bank. It had abstained since February on other loan requests as a way of protesting human rights violations.

State Department officials said that the change of position was in response to President Augusto Pinochet's ending of the state of siege in Chile.

But in Congress, a key representative protested that the change by Washington was premature and had been made without sending the required notification to Congress.

"I can't accept this immediate change in our position and violate

the law with regard to consultation as a reasonable response to the Chilean government just making this announcement," said Representative Stanley L. Lundine, Democrat of New York. He is chairman of the Banking, Finance and Urban Affairs subcommittee on international development institutions and finance.

On Tuesday, Chile's military government banned political meetings in Santiago, Reuters reported. The ban was announced by the military commander for Santiago under the state of emergency.

[Government permission will be required for all other meetings, except for private or family gatherings or shows in places normally used for entertainment.]

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Walesa Says He Was Warned to Be Quiet

Reuters
WARSAW — Lech Walesa, leader of Poland's banned Solidarnosc trade union, said he was told by prosecutors Wednesday to stop public attacks on government policies.

He told Western reporters that officials had informed him that if he continued to issue critical statements, he might find himself in "a

different position" and that "different measures" might be taken against him.

Mr. Walesa said he was summoned to the provincial prosecutor's office in Gdansk and told that he still was under investigation on the charges under which three senior Solidarnosc activists were sent to prison last week.

He said he did not speak during

the brief meeting at the prosecutor's office. Mr. Walesa handed over a text that said, "The trial of Wladyslaw Frasyniuk, Bogdan Lis and Adam Michnik has reinforced my conviction that there is only one form of dignified behavior before the courts, prosecutor or police — that is the refusal of any testimony or any conversation. Therefore, I refuse to testify."

Mr. Walesa said that officials mentioned a statement he made on June 11 during the trial of the three activists, who were sentenced to two and a half to three and a half years in prison for plotting a 15-minute strike to protest increases in food prices.

That statement described the prosecution as "terroristic" and said that the circumstances of the trial "oblige me to declare that peaceful methods of struggle for the state and for union freedoms are now threatened."

Mr. Walesa was interrogated for 11 months after Solidarnosc was suppressed under martial law in De-

cember 1981 but he has not been detained since.

■ Michnik Issues Statement

Michael T. Kaufman of The New York Times reported from Warsaw:
Mr. Michnik has said that his trial showed that "fascism has knocked on the doors of Polish homes." He made the statement in an eight-page letter smuggled from his prison cell.

Mr. Michnik, 38, said the court's muzzling of the defendants and the exclusion of observers signaled the trampling of judicial traditions. He charged that the presiding judge, Krzysztof Ziemiuk, had maintained close contact for years with the Polish security apparatus.

The rights of the defendants at their trial were squelched more crudely than in the past, Mr. Michnik wrote. He said this was shown by the open use of surreptitiously taped materials that were concealed in the past, by the use of only police officers as witnesses and by the barring of foreign reporters.

Mr. Walesa said that officials of large orders for Dutch construction and agricultural companies in China and that his visit had strengthened ties that have been strained since 1980, when The Hague agreed to sell two submarines to Taiwan.

Zhao Concludes European Visit

Reuters
AMSTERDAM — Prime Minister Zhao Ziyang of China visited the Rijksmuseum and took a boat tour here Tuesday before his return to Beijing after a trip that also took him to Britain and West Germany.

Mr. Zhao said there were prospects of large orders for Dutch construction and agricultural companies in China and that his visit had strengthened ties that have been strained since 1980, when The Hague agreed to sell two submarines to Taiwan.

Agca Now Says a 3d Turk Was Present at Shooting

The Associated Press

ROME — Mehmet Ali Agca testified Wednesday that a third Turkish conspirator was in St. Peter's Square the day he shot Pope John Paul II.

In previous testimony, Mr. Agca had insisted that the only other accomplice in the square on May 13, 1981, was Oral Celik, a Turk who has been charged as a plotter.

Earlier Mr. Agca said Mr. Celik had been carrying the grenades in a bag. But he said Wednesday that he had been lying.

Pressed to identify "Akif" further, Mr. Agca said his real name was Omer Ay.

But when the judge showed Mr. Agca a police photograph of Mr. Ay, Mr. Agca said he was not the

shooter. Four of the defendants are being tried in absentia.

Under intense interrogation by Judge Severino Santiuchi, Mr. Agca changed his earlier testimony. He said the third man in the square with him and Mr. Celik had been known as "Akif" and that he had been supposed to set off hand grenades to cause panic and cover the three men's escape.

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SCIENCE

California Magma Pool May Prove Energy Source

By Walter Sullivan
New York Times Service

THREE-DIMENSIONAL mapping of molten rock beneath the area east of Yosemite National Park in California has confirmed the existence of a chamber, filled with magma, that is at least eight miles wide and six miles deep (13 kilometers by 10 kilometers). The aim of the mapping was two-fold: to assess the likelihood of volcanic eruptions near the Nevadan border and to evaluate the site's potential as an energy source.

Various oil prospecting techniques were used, as well as drill holes, to sample the buried struc-

tures and perform subterranean earthquake monitoring.

Small quakes that frequently occur in the area have been analyzed from surface stations to chart the buried magma chamber. Artificial quakes have been produced by on-site chemical explosions and by lines of special trucks that set the ground vibrating at various frequencies.

The tests, described at a recent meeting of the American Geophysical Union in Baltimore, suggest that one part of the magma chamber may come within two miles of the surface. This is of special interest to the Magma Energy Technology Program of the U.S. Energy

Department, which is seeking to exploit such deposits as energy sources and is a co-sponsor of the survey.

The magma chamber lies beneath the Long Valley Caldera, a volcanic depression 20 miles long and 10 miles wide left by an explosive eruption about 700,000 years ago that hurled 140 cubic miles of ash into the sky, blanketing much of the western United States.

Volcano specialists have found no reason to believe eruptions there are at an end. They emphasize, however, that despite continued swelling of the Long Valley Caldera and recurring earthquakes beneath it, including a moderately severe one in November, there are no indications that a great eruption is imminent.

Smaller eruptions within the past 1,000 years have left a five-mile row of craters, the Inyo Domes, extending northward from within the caldera. Tree-ring counts indicate that the last occurred 470 years ago.

Extensive experiments aimed at understanding the mechanics of those outpourings were described at the Baltimore meeting by scientists from the Sandia and Lawrence Livermore National Laboratories, the U.S. Geological Survey and several universities.

Holes drilled obliquely into the Inyo Domes confirmed that the

domes were produced by lava flowing up through a single north-south fissure, leaving a buried wall, or dike, of volcanic rock.

The Long Valley Caldera has long been a focus of geological studies. In 1973 seismic surveys began to suggest that a large magma chamber lay under the caldera. Subsequently, swarms of earthquakes and swelling of the caldera appeared to indicate that magma was flowing into the chamber, and in 1982 the Geological Survey warned that an eruption might take place.

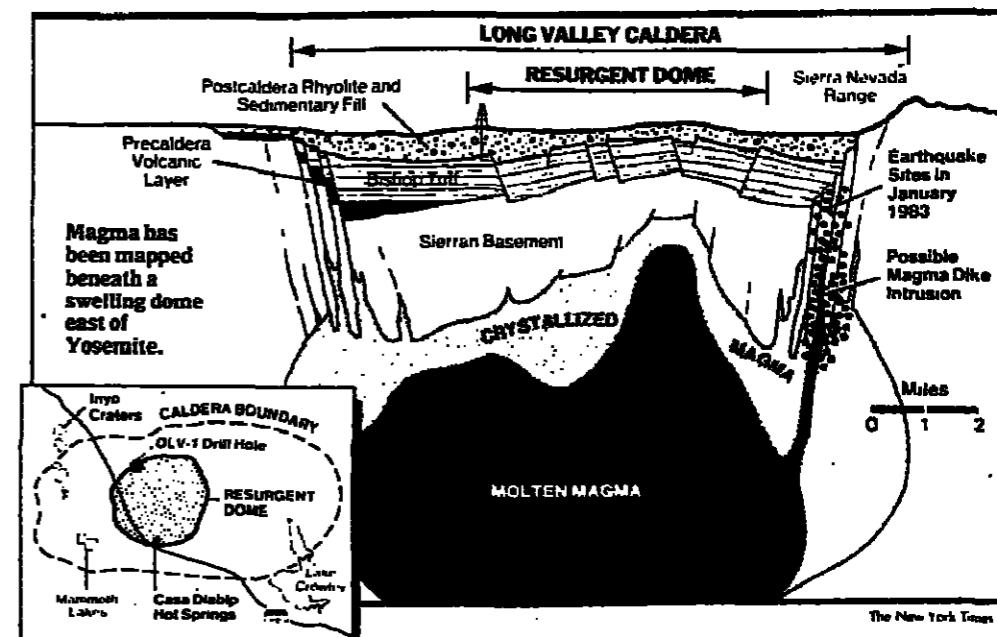
A central region of the caldera

floor six miles in diameter has risen as much as three feet (0.9 meter). Measurements along the Interstate 395 highway across the shoulder of this resurgent dome have shown that since 1975 the road has risen 17 inches (43 centimeters). Because the swelling has slowed and the earthquakes have subsided, the eruption alert has been withdrawn.

One goal of the research, as stated by Dr. John B. Rundle of the Sandia National Laboratories in Albuquerque, New Mexico, is to find out "what is driving the system." The area has long been a focus of volcanic eruptions. Some north of the caldera occurred about three million years ago.

In an interview, Dr. Rundle noted that the caldera was where the southern part of the Sierra Nevada front was sharply offset to the east. Along that front, two distinct "provinces" of North American geology meet: the so-called Basin and Range Province to the east and the Sierra, rising two miles high on the west. Unweathered rock along their base shows that they are still rising. The Long Valley eruptions and those that have occurred at Mono Lake, 18 miles to the north, seem related to the offset.

The caldera studies have used an exploratory well sunk by Santa Fe Geothermal Inc. 3,000 feet into the caldera floor as far as the Bishop



Tuff, which is volcanic debris from the great eruption 700,000 years ago. The well is not used for energy production, but those at Casa Diablo Hot Springs, farther south within the caldera, are producing 7.5 megawatts — comparable to the output of a moderate-sized oil-powered plant.

As part of the mapping project a geophone was pressed against the walls of the well at 100-foot intervals to record waves produced by natural earthquakes around the

caldera rim as well as tremors generated by 281 small earthquakes originating beneath the southern edge of the caldera.

Researchers have recorded pressure waves from 2,450 earthquakes. Delayed arrivals indicated which waves had passed through magma. This showed not only that a large body of molten rock lay beneath the caldera but that a broader low-velocity zone extended north toward Mono Lake and southeast beneath the Sierras.

Also recorded has been the man-

ner in which shear waves generated by 281 small earthquakes originating beneath the southern edge of the caldera were absorbed by molten material; shear waves which produce ground motion at right angles to the direction of wave travel, do not readily pass through fluid.

This has revealed two "cupolas" rising from a single underlying magma body, one of which, to the south, is believed to come closest to the surface and offer the most tempting source of magma energy.

IN BRIEF

Huge Undersea Volcano Discovered

MENLO PARK, California (UPI) — A huge underwater volcano and other features have been discovered by scientists working on the largest project to date to map the ocean floor.

Analysis of computer-generated pictures produced by a sonar imaging system during a 100-day voyage last year yielded "stuff that's never been seen before," said Dave Caressone, one of eight U.S. Geological Survey scientists to make the trip last summer aboard the British ship *Farnella*. "It's blowing everyone's mind."

The volcano 15,000 feet (4,550 meters) beneath the Pacific Ocean off the Northern California coast — its crater is six miles (10 kilometers) wide — showed signs of geologically recent activity, researchers said.

Fungus Studied as Chemical Eater

EAST LANSING, Michigan (AP) — Researchers working with white-rot fungi, which commonly decays dead trees, say the fungi also destroy dioxins, PCBs, DDT and other dangerous chemicals.

Steven D. Aust, the biochemist who heads the Michigan State University lab where the fungus was tested, said the theory that white-rot would break down toxic pollutants into harmless chemicals was formed about two and a half years ago when graduate students were studying the processes that enabled the fungus to break down lignin, a highly resistant natural substance in wood.

The fungus, *Phanerochaete chrysosporium*, broke down dioxins, DDT, benzene and two kinds of polychlorinated biphenyl in experiments financed by the U.S. Environmental Protection Agency, Dr. Aust said. He said the results of the experiments would be published in *Science* magazine.

The fungus, which works very slowly, would not break down chemicals that have accumulated in humans or animals because it would be destroyed by antibodies, researchers said.

Natural-Core Theory for Pyramids

MOSCOW (UPI) — A Soviet researcher claims that the Great Pyramids of Egypt are based on remnants of a small mountain range, the weekly Moscow News has reported. "My hypothesis boils down to this: Each of the big pyramids has a core of natural rock inside it," the researcher, Anatoli Vasiliev, said.

Dr. Vasiliev, who has never visited Egypt, dismissed claims that 2.5 million tonne slabs were used in the construction of the pyramids. "According to my calculations, big pyramids can exist only if they are built around a rock core," he said. "Without such a load-carrying structure, the pyramid would simply collapse."

Pesticides, Parkinson Disease Linked

MONTREAL (AP) — Parkinson's disease, which leads to body spasms and muscle stiffness, is partly caused by excessive use of pesticides, according to a top Canadian researcher.

Andre Barbeau, head of neurology at the Clinical Research Institute in Montreal, said he found more victims of Parkinson's disease in agricultural areas sprayed with exceptionally high levels of pesticides. He noted that aging and genetics were other factors that caused the disease.

Meteor Activity Tied to Halley's Comet

MOSCOW (Reuters) — Soviet scientists still puzzled by a whistling, blazing fireball which swept over southern Siberia last year but appears to have left no trace, now theorize that increased meteorite and fireball activity are related to the approach of Halley's Comet, Tass reports.

The fireball appeared over the city of Tomsk in February 1984, a red flash so strong that it switched off automatic street lights. A scientific team searching the nearby Tunguska forest for debris or craters has failed to find anything.

Evidence suggests fireballs and meteorites may be linked to the coming passage of Halley's Comet, Tass said. In 1908, two years before the comet last passed Earth, meteorites and fireballs were seen in the same Siberian region as well as in Britain, European Russia and China, the agency said.

Red Wine Called Worst for Migraines

LONDON (NYT) — Researchers have identified chemicals in alcoholic beverages that may account for the migraine headaches that are touched off by alcohol in some people. The chemicals — especially plentiful in red wine, the worst offender for migraine sufferers — inhibit an enzyme that deactivates substances that produce headaches.

A research team at Queen Charlotte's Hospital said many red wines can cause a complete inhibition of the enzyme but white wines have less of an effect. Among spirits, vodka and gin had the least effect and were less inhibiting than white wine or brandy. No relationship was found between a beverage's alcohol content and the extent of enzyme inhibition.

Sea Animals Found at 4,000 Meters

ABOARD THE NADIR, off Shimizu, Japan (AP) — The deepest ocean colony of animals ever discovered, including crabs, snails and banana fish, has been found southwest of Tokyo at 13,200 feet (4,000 meters) by the French diving craft *Nutilus*.

The *Nutilus* is investigating the mechanism of Earth plate movements for a Franco-Japanese project dubbed *Keiko* (undersea trench). Sea animal colonies are rarely found below 3,300 meters. The deepest found before now was near the Galapagos Islands, at 2,600 meters.

The man in charge of the venture, Xavier le Pichon, aboard the *Nutilus*'s mother ship, the *Nadir*, said: "We were very much surprised to find it in our third dive. Not all the items discovered were rare; they included a plastic bag with a popular cartoon drawing on it."

Ancient Inca Grain Studied

The Associated Press

HIUATAHUAYA, Bolivia — A high-protein grain cultivated for centuries by Inca tribes in the Andes could help solve hunger problems in the Third World, according to a U.S. group that is marketing it.

A recent study by Texas A&M University said *quinoa* (pronounced *keen-wa*) was "about 18 percent high-quality protein" and "superior in food value to most other grains in the world." Wheat contains 11 percent protein and corn 3.5 percent.

"*Quinoa* can be grown in places with extremely poor soil but where malnutrition is rampant. It resists the most severe climates," Stephen Gorad, president of Quinoa Corp. of Boulder, Colorado, said during a recent visit to Bolivia.

Quinoa Corp. and Sierra Blanca Associates, a nonprofit organization, said *quinoa* could become a cheap, easily grown substitute for wheat, which many poor countries are hard-pressed to import.

Quinoa Corp. said that *quinoa* has been grown experimentally in eight western U.S. states that planting was being expanded in South America and that tests were under way in Europe, Japan, and China.

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From Pretoria, Contempt

The South African government intensifies its campaign of force and threat against its neighbors. Just in the last few days its armed forces, claiming to be attacking guerrilla bases, invaded the capital of neighboring Botswana and coldly killed some 14 persons, including three women and a 5-year-old child. Then Pretoria proceeded with its long-heralded plan to set up a pliant puppet regime, its alternative to internationally acceptable independence, in its longtime colony of Namibia.

The attack on Botswana makes plain why the existence of apartheid in South Africa is itself a source of danger to the region. South Africa has made no showing that African National Congress guerrillas were operating out of Botswana. It simply stormed in, strewing about death, intending presumably to add one more mark of intimidation to all the others that have made life miserable for its neighbors over the years. The imperial arrogance of South Africa, its determination to flaunt its uncontested power, was on full view. But what it really demonstrates is the lack of self-confidence and the insecurity that lie not far under the readiness to go to the gun.

South Africa has spent decades failing to deliver on its promise to grant independence to Namibia also a neighbor. In the Carter period it went the puppet-regime route, which led nowhere, and now it is trying again. There is always a fancy excuse; this time it is that

Cuban troops remain in Angola, to Namibia's north. But what South Africa does not say is that Cuban troops remain there to protect the Angolan government precisely against South Africa. Last month its commandos were caught about to sabotage the American-owned oil facility that is Angola's most valuable economic asset. Meanwhile, Pretoria continues to sponsor the Angolan insurgency led by Jonas Savimbi. The same lack of self-confidence is evident: a fear of the fact and example of self-rule by blacks not beholden to South Africa.

The United States responded to the raid into Botswana by calling the ambassador home. It boycotted the installation of the new setup in Namibia, which it had already denounced as null and void. The question is not whether these protests are right and sufficient. The question is why South Africa proceeds with policies — its repression at home as well as acts outside its borders — that trash the expressed opinions and urgings of the government whose favor is most important to it. It proceeds with them, moreover, as the U.S. Congress contemplates sanctions.

The evident answer is that South Africa has taken the U.S. policy of "constructive engagement" as a big wink. The policy was supposed to earn President Reagan a South African hearing for his counsel to reform, but what it has brought seems much closer to contempt.

— THE WASHINGTON POST.

Austral Shock Treatment

To break disastrous inflation, President Raúl Alfonsín imposes a drastic remedy. He is running high risks and showing great courage. Whether he wins will depend on how Argentina's people react in the coming months.

The inflation rate, currently running about 1,500 percent a year, is the most immediately dangerous of the burdens that preceded him. At first he thought that conventional restraint and appeals to the public would be enough to control it. But the inflation rate has lately been accelerating, and Mr. Alfonsín has come to see that a failure to master it would end in a collapse not only of the economy but of Argentina's newly established democratic government as well.

To wring out inflation by the usual method of keeping money tight — the method that the United States has used in the past six years — would require in Argentina a recession of intolerable length and severity. Mr. Alfonsín has chosen a more radical alternative.

The immediate cause of inflation is a huge budget deficit. It has been running at well over 10 percent of GNP. (By comparison, the federal budget deficit in the United States is around 5 percent of GNP.) Mr. Alfonsín has declared that the Argentine deficit will come down to 2.5 percent of GNP in the second half of this year. That would be a greater achievement

than balancing the U.S. budget by Christmas. Mr. Alfonsín has abolished the peso and introduced the austral. The name is a reference to the south, Argentina's place in the world — a nicely calculated appeal to national pride. He has pegged its exchange rate to the U.S. dollar and set the short-term interest rates for borrowers at 6 percent. (Recently they have been running as high as 40 percent a month.) That's shock treatment on the grand scale.

One precedent that comes to mind is the currency reform in western Germany after World War II. But that was imposed by the allied military occupation, not, as in Argentina, by an elected government. Shock treatment seems to work only when a country is seized by a real sense of crisis. Circumstances in Argentina are not those of 1948 in Germany, defeated and suffering widespread destitution.

Some people in Argentina will probably fight the new program on grounds that it is unfamiliar and they fear losing money under it. They will be supported and abetted by others with very different reasons of their own to want to see Argentine democracy destroyed. But inflation is debilitating the country, and not only its material standard of living. Shock treatment can succeed if Mr. Alfonsín succeeds in convincing a majority of Argentina's people that there is more at stake than money.

— THE WASHINGTON POST.

College Sport in Trouble

After so many scandals in American college sports, you would think that a convention of the National Collegiate Athletic Association would be riveted on reform. But the agenda for a New Orleans meeting this week looks more like an exercise in damage control.

More than sports is at stake. In the last six months, Clemson has lost a president who could not bring the trustees and the athletic director to clean up the sports program; Tulane's basketball program was destroyed by a gambling scheme that may have involved drug dealing; Memphis State has been accused of failing to graduate a single black basketball player in more than 12 years. (It reportedly graduated only four whites in that time.)

Faced with pervasive corruption, the NCAA proposes a few adjustments. It would require annual audits of athletic budgets. It would reclassify rules violations as major and minor, depending not on ethical values but on the

— THE NEW YORK TIMES.

Other Opinion

Ignoring Terrorists Backfires

Greece in the person of her foreign minister, Yannis Haralambopoulos, has blamed the United States for a "defamatory campaign" against her over her role in the TWA hijack drama. To accuse the Greeks of actively aiding orabetting terrorism would certainly be wrong. But it does seem to be true that Greece, like France and some other countries in the past, has preferred to take a passive line toward terrorism, hoping that this and its rela-

— The Times (London).

FROM OUR JUNE 20 PAGES, 75 AND 50 YEARS AGO

1910: Cuba and Spain Discuss Trade

MADRID — Don José Zulueta, member of the Cortes, will interpellate the Government at the Cortes on the matter of the commercial treaty with Cuba. This step is taken by pressure from the Catalonian merchants interested in the prompt end of the negotiations. These are being carried on in Havana by request of the Cuban Government, which has expressed a desire to favor Spanish demands when they do not endanger Cuban and American interests. Don Rosendo Fernández, who represents the Havana Chamber of Commerce in Spain, and also the cigar manufacturers, has presented to the Cuban and the Spanish Governments a report pointing out the concessions which can be mutually made without giving the least ground to protest to American commerce.

1935: Senate Passes Social Security

WASHINGTON — The Administration's social security bill, embodying provisions for old-age pensions, unemployment insurance and other features, was swept to passage by the Senate [on June 19] by a vote of 76 to 6. The bill had been returned to the House, which passed it two months ago by a vote of 372 to 33, for approval of the Senate's amendments. The measure is regarded as the most important piece of legislation in the New Deal program not yet to be enacted. The bill constitutes one of President Franklin D. Roosevelt's first attempts to solve the machine-age problem by long-term planning. The features of the bill are fundamentally reform instead of recovery measures, designed to relieve as well as help prevent cyclical depressions.

THURSDAY, JUNE 20, 1985



Mozambique: Whose Interests Do Saboteurs Serve?

By Robert Jaster

ROCKPORT, Maine — In Mozambique a nasty little war is sputtering into its fifth year. Now, thanks to clandestine intervention from outside, it threatens to become bloody and prolonged, and to undermine the prospects for regional détente.

Last year, when Marxist Mozambique and apartheid South Africa signed a nonaggression pact — the Nkomati accord — it was hailed as opening a new era in relations be-

tween the Mozambican people, nor a coherent political program.

It was set up in 1976 by the Rhodesian intelligence service from a group of Mozambican refugees, mostly ex-members of the Portuguese colonial forces. The Rhodesians armed them and sent them back into Mozambique to harass Robert Mugabe's guerrillas, who were attacking Rho-

desists and promoted his chief negotiator at Nkomati. The Russian boycott of the 1984 Olympics did not prevent Mozambican athletes from competing in Los Angeles. Finally, Mr. Machel has sought Western military instructors for his armed forces.

Western leaders should make clear, through public statements and offers of assistance, that they support the present government and oppose efforts to destabilize it. A strong demarche should be made to governments thought to be bankrolling Renamo or encouraging others to do so. A demarche to Pretoria might bolster its commitment to Nkomati, and weaken any vestigial support for Renamo among the bureaucracy.

Beyond that, the West should

After losing its South African sponsors, Renamo recently picked up a shadowy group of clandestine backers elsewhere.

between Mozambique and its neighbors, and as a model for the region. Under its terms Mozambique expelled the African National Congress, which had been using Mozambique as a staging area for guerrilla attacks against South Africa. In return, Pretoria expelled the Mozambican National Resistance (Renamo), whose guerrillas had been trained, armed, financed, and directed by South Africa to conduct raids inside Mozambique. Shortly after the accord was signed, South Africa — apparently as a sop to its military, which had run the Renamo operation — rushed 1,500 armed guerrillas and large quantities of equipment into Mozambique. Since then, however, both states have honored the accord.

But Renamo, after losing its South African sponsors, recently picked up a shadowy group of clandestine backers elsewhere. Among those allegedly bankrolling its current activities are two foundations in West Germany, two Portuguese businessmen who had extensive holdings in pre-independence Mozambique and an Arab potentate who apparently hopes to see an Islamic republic established in northern Mozambique.

Flush with this growing support, and with its final "golden handshake" from South Africa, Renamo recently intensified operations. From its previous hit-and-run raids against remote farms and outposts, it has moved to large-scale sabotage and armed attacks in every province, frequently cutting off the capital itself.

Should Renamo's growing success be seen as favorable to Western interests? The overthrow of Mozambique's Marxist government would be a clear setback for its patron and chief arms supplier, the Soviet Union. Its replacement by a non-Marxist government would seem to be pure gain for the West.

To accept this argument, however, is to ignore the reality and dynamics of regional politics.

Renamo is not a legitimate national movement. Unlike the UNITA insurgency in Angola, which draws its strength from the numerically dominant Ovimbundu people and which earned its nationalist credentials fighting the Portuguese, Renamo has

shifted its policy changes in the last few years suggest that it is.

Disillusioned with its ties to the Communist states, Mozambique has been moving toward the West: joining the IMF and the World Bank, breaking up the East Bloc-managed state farms and parceling them out to small farmers, encouraging Western investors and linking the economy more closely to South Africa.

Politically, too, Mr. Machel has shown growing independence from the Soviet Union. He recently demoted three hard-line Marxist cabinet

ministers and promoted his chief negotiator at Nkomati. The Russian

boycott of the 1984 Olympics did not prevent Mozambican athletes from competing in Los Angeles. Finally, Mr. Machel has sought Western military instructors for his armed forces.

Western leaders should make clear, through public statements and offers of assistance, that they support the present government and oppose efforts to destabilize it. A strong demarche should be made to governments thought to be bankrolling Renamo or encouraging others to do so. A demarche to Pretoria might bolster its commitment to Nkomati, and weaken any vestigial support for Renamo among the bureaucracy.

Beyond that, the West should

that offer a more attractive option than continuing the fighting.

The writer is a 1985-86 research associate with the International Institute for Strategic Studies in London and has a book on Namibia scheduled for publication next month by Harvard University's Center for International Affairs. He contributed this comment to the International Herald Tribune.

South Africa officially cut off support for Renamo, but apparently made a major arms delivery. This "golden handshake" enabled Renamo to intensify its activities.

South African-sponsored talks

at a cease-fire between Renamo and Mozambique neared agreement in October 1984, when, for reasons that remain obscure, Renamo walked away from the table.

South Africa recognizes that its best interest lies in having a stable regime on its borders and that the Machel government could provide that stability, while Renamo could not. Pretoria has steadily increased economic and security cooperation with Mozambique and has spoken out increasingly about the negative effects of Renamo's activities.

The overall voting record of Mozambique at the United Nations is not what the United States would want, but its position on 10 key votes improved substantially during the last session. The United States is relieved that the private sector, technical expertise and development aid to other countries such as Mozambique, the hope of building their economies.

Washington helped bring South Africa and Mozambique together to discuss their problems. In March 1984 they signed the Nkomati accord. Mozambique, against the wishes of the Russians and most other African states, carried through its commitment to close ANC bases.

President Reagan saw that as long as the level of cross-border violence remained high, Moscow would have opportunities to expand its influence, but that a decision in the region to seek a diplomatic solution and concentrate on economic development would serve the U.S. interest. Only the United States had the relations with all parties that would allow it to mediate. And only it and its Western allies had the private sector, technical expertise and development aid to offer countries such as Mozambique the hope of building their economies.

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SPAIN

A SPECIAL REPORT

THURSDAY, JUNE 20, 1985

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Booming Tourism: Its Image Changes

MADRID — The Spanish tourism boom that amazed the world by drawing as many as 22 million visitors a year to Spain in the 1960s is still going.

Spain greeted 40 million foreigners last year, one for every Spaniard, and they brought \$7.2 billion with them.

"We calculate that we got nine percent of all tourists traveling internationally," said Ignacio Valls, director of promotion for the Spanish Tourism Secretariat.

That percentage is expected to translate this year into \$8 billion for Spain. After a few years of slow growth due to the international oil crisis, construction in the tourist sector is moving ahead, too, with the accent on quality.

"We want all new construction to be of top category," Mr. Valls said. "We want to build only hotels that are five-star," the highest official rating given to hotels in Spain.

By coincidence does the World Tourism Organization, a United Nations agency that promotes tourism by providing technical assistance to developing countries, have its headquarters in Madrid, Spain, recognized as an authority in matters pertaining to tourism. It has its own Official Tourism School whose students currently include 64 foreigners on scholarships funded by the Spanish government.

Spain has been exporting its tourism know-how for years and this now involves the techniques of 1980s-style big business.

To tell the world about timeless Mediterranean beaches, castles built by Crusaders and high Pyrenees mountain passes, Spanish tourism officials have quietly slipped into a new world of computer-generated marketing studies and highly sophisticated advertising campaigns.

"We have changed a lot since 1983, when we drew up a world marketing plan and realized that what we needed first was a corporate logo," Mr. Valls said. "We asked Joan Miró to create one for us and he did, giving it to us shortly before his death in December 1983 at the age of 90."

The Miró logo is colorful and exuberant, depicting a stylized sun in red and yellow, the colors of the Spanish flag, accented by black, set off by a star-like shape that looks like a bouncy asterisk, above somewhat antic letters that spell out "ESPAÑA." It now appears on Spain's tourism brochures and posters.

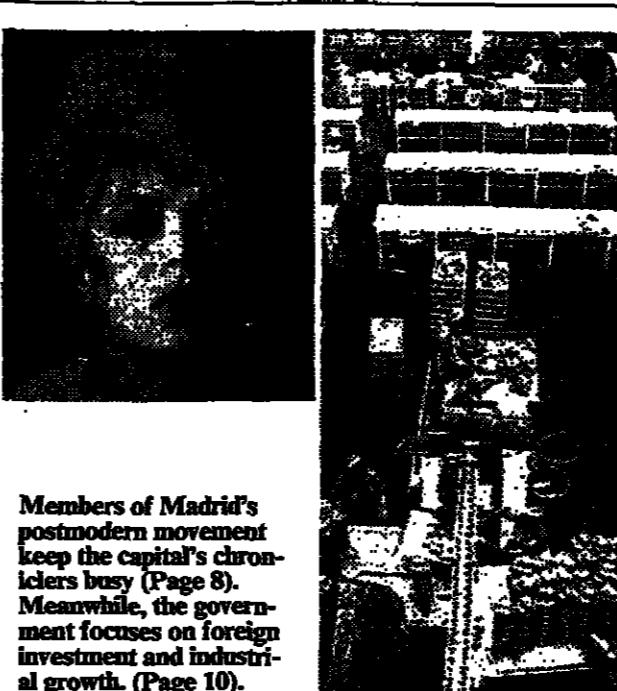
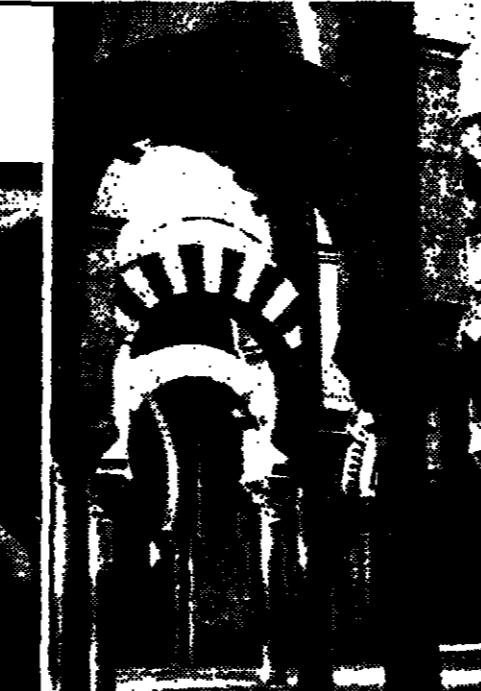
Detailed marketing plans are drawn up yearly for each of the 11 nations that, since the first mass tourism of the 1960s, have accounted for almost 95 percent of Spain's foreign visitors. These are the United States, Britain, West Germany, France, Belgium, Italy, the Netherlands, Sweden, Finland, Norway and Denmark.

Tourism from the United States has grown from 700,000 in 1982 to almost 950,000 in 1984 and is ex-

(Continued on Next Page)

Fusing Modernism And Traditions

Bullfighting and the tradition that surrounds it is back in style, and the arenas are full (Page 11). Cordoba and its Mosque provide a window on early Spain (Page 8).



Members of Madrid's postmodern movement keep the capital's chroniclers busy (Page 8). Meanwhile, the government focuses on foreign investment and industrial growth. (Page 10).

Water and the 'Myth' of Agricultural Potential

By Barbara Bell

ALMERIA — Manuel Escámez, farmer like his father before him in this dry region of southeastern Spain, sliced open his first melon of the season as he stood in a plastic-covered greenhouse and spoke of his feelings about joining the European Community.

"I think that this will be a good thing," he said hesitantly. "I don't understand much about politics but I see on television that they are putting a lot of problems in our way."

"And I understand that with the limitations they are setting for us, our situation will be almost worse at the beginning than it is now."

"They," of course, refer to negotiations from the EC who, with Spanish representatives, have drawn up the long and complicated clauses of the treaty governing Spain's entry into the community, which is to take place after a target date of Jan. 1, 1986.

Officials as well as farmers say that European fears of the "myth of unlimited Spanish potential" in agriculture are groundless.

Spain's agricultural sector last year accounted for 3 billion pesetas, 7 percent of the gross national product.

There were 1.76 million people employed in agriculture, almost 13

percent of the Spanish labor force of 13.25 million.

"We have a very diversified type of agriculture, but also one fundamental problem: We lack water," said Pablo Conejo of the Agriculture Ministry.

That phis land limitations severely restricts our agriculture, which we have been telling the other countries of the EC for years, ever since Spain applied for membership in 1977 and all through the negotiations that began officially in 1979."

Mr. Escámez's roughly built greenhouse near Almeria, the easternmost town of any consequence in Andalusia, has been a focus of EC fears, fears and thousands of others like it.

For Almeria, one of the driest but also sunniest places in Spain, is the site of a phenomenon some refer to as the "Spanish agricultural miracle."

Less than 20 years ago, the first experimental plot "under plastic" as the method is often described, was planted here by Mr. Escámez's uncle with the help of the Institute for Agricultural Reform and Development, linked to the Agriculture Ministry.

To the experimenters' delight, vegetables grown in the *invernadero*, or hothouse, were ready for market a full month earlier than the same crops grown outdoors, and suddenly everyone wanted a taste of the success.

In 1968, there were only 30 hectares (74 acres) cultivated under plastic in Almeria province. That had jumped to 1,114 hectares by 1971 and to 7,150 hectares in 1980.

Now, there are 10,000 hectares covered by *invernaderos* and the daily flight from Madrid to Almeria arrives over a sea of plastic reflecting the sunset more brightly than the real sea nearby.

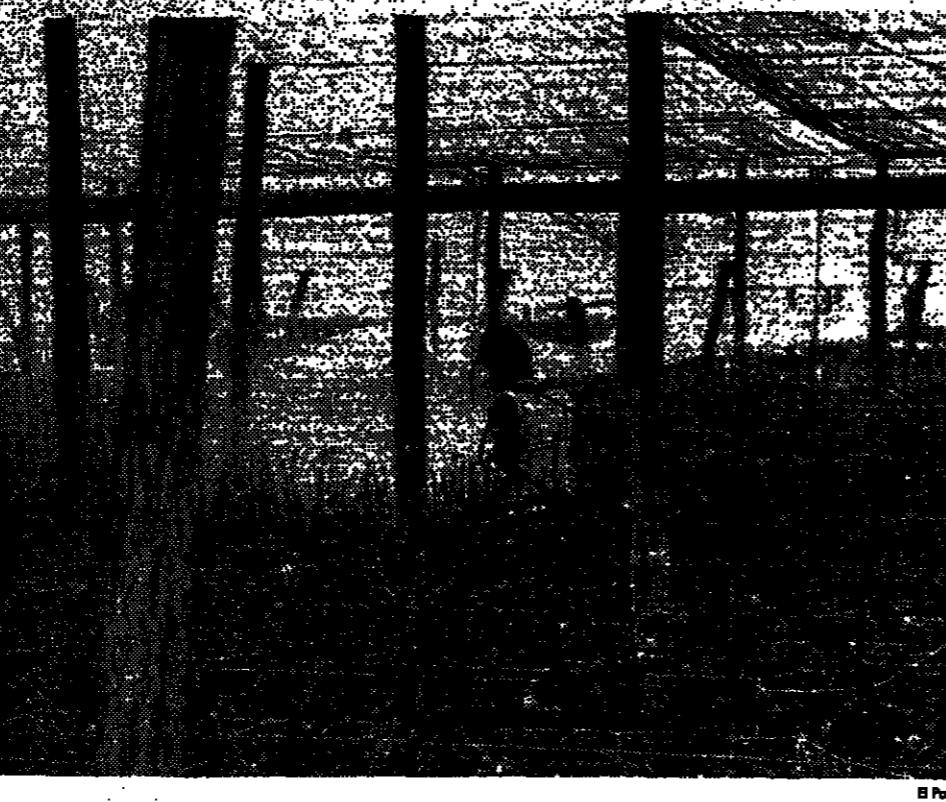
Virtually all of the fruit and vegetables grown here, which include peppers, cucumbers, green beans, melons and smaller amounts of avocados, garlic and strawberries, are shipped to market fresh. Some 20 percent to 25 percent of that goes to foreign countries, usually by refrigerated trucks, which can speed a melon picked in Mr. Escámez's hothouse tonight to a table in France tomorrow.

Tomatoes are the principal crop, with an average annual production for the province of 340,000 tons, but at this time of year the last vines, trained up to a plastic cord strung two meters high, are being torn out in another of Mr. Escámez's hothouses.

"We planted tomatoes here last August and began picking them for market October 25," he said.

That advance over the growing season for most European farmers stands almost too good to be true.

(Continued on Page 9)



Why the Spanish Have Trouble With the French

MADRID — Ask a Spaniard about his country's relations with France and he is likely to burst out laughing, because historically, those relations have been so bad from the Spanish point of view that his choice is to laugh about them or cry.

When he visits the Prado Museum, he sees Spanish patriots rising up in 1808 against Napoleonic invaders and later falling before their guns in Goya's paintings of the "Dos de Mayo" and "Tres de Mayo." In the years following the death of Franco and the installation of a democracy in Spain in 1975, he reads of Basque terrorists operating on Spanish soil from bases in France, apparently unimpeded by French authorities.

Later came the "fishing wars" between Spanish and French vessels and, mainly in 1982 and 1983, attacks by French farmers of trucks and trains carrying Spanish fruit and vegetables across southern France. Vehicles were burned and hundreds of tons of produce destroyed.

Most recently, the average Spaniard has been irritated by what was perceived as French efforts to block Spain's entry into the European Community. Negotiations culminated at the end of March, after a series of late-night sessions, in agreement between Spain and Portugal and members of the EC. Even Spaniards with respect and affection for France describe France's posture in the talks as "frankly obstructive."

Small wonder, then, that in a public opinion poll published last month by the Spanish newsmagazine "Cambio 16," 40 percent of the more than 1,200 Spaniards questioned named France as the Common Market country they disliked most. Far behind in second place as most disliked came Britain, with 15 percent. As their most-liked EC country, 24 percent

chose West Germany, the leader, but only 6 percent named France.

While expressing amusement over the survey, several people in Madrid commented that in addition to concern about truck burnings and EC negotiations, the results probably reflected some degree of hostility common to all countries that share borders.

"Problems between neighbors are always experienced with special intensity," one per-

son said. "There is a certain resentment, too, and perhaps a bit of inferiority complex whenever someone feels that his neighbor is richer than he is."

Santiago Salas, a Spanish Foreign Ministry official, said, "Actually, from a political point of view, relations between Spain and France have entered a very positive phase and the rapprochement between them in the past two-and-a-half years has been spectacular."

One of the first foreign policy decisions made by the Socialist government of Prime Minister Felipe González on its formation in December 1982 was to launch a concerted effort, an "offensive," one source said here, to improve Spain's relations with France. Foreign Minister Fernando Morán flew to Paris that month for a meeting with French offi-

cials at which it was agreed to deal with specific irritants between the two countries within the context of shared concerns and mutual interests.

Most political observers in Madrid feel that the "brotherhood in socialism" of Mr. González and President François Mitterrand has facilitated bilateral understanding on both personal and governmental levels. In any case, France finally supported Spain's bid to enter the EC, clashes between fishermen and farmers of the two nations have become rare and meetings between Spanish and French foreign ministers, with participation by other officials, are held twice a year, the last one in Barcelona in October.

Mr. González has visited Paris several times and King Juan Carlos and Queen Sofia are expected there on an official visit July 10.

The single event that most symbolized a radical change in France's attitude toward Spain," Mr. Salas said, "was its extradition of three members of the Basque separation group ETA in September 1984. During the time of Franco, the justification for sheltering such terrorists was that they were fighting for freedom against a dictatorship, but with the formation of a democracy in Spain, that was no longer valid. France now cooperates greatly with the Spanish government on this problem."

At the moment, the rivalry between the two countries centers on the 1992 Summer Olympic Games, for which Barcelona and Paris are candidates along with Amsterdam and Brussels. France and Spain are also competing to have the first European Disneyland, with the French backing a site east of Paris at Marne-la-Vallée, and the Spanish proposing space on the Mediterranean coast near Alicante or Barcelona.

— BARBARA BELL

González Cultivates His Garden With Sure Political Hand

By Tom Burns

MADRID — A previous resident of the Moncloa Palace, the official home of the Spanish prime minister, had a swimming pool installed in the gardens. Felipe González has characteristically done something quite different. He has had part of the grass lawn on the deep-end side of the pool dug up and a cabbage plot laid down. A private lunch with the prime minister includes a tour of his vegetable garden.

Mr. González takes pride in pointing out how well his cabbage and his onions are doing and he explains at length his experimental cultivation of strawberries on sand soil and under plastic using drip-watering techniques. He says he spends as much time as he can in his garden.

The visitor may be impressed by the prime minister's agricultural skills but the lasting impression is of a different kind. Conscious or not, Mr. González gives out a message with his cabbage-plot tour: He has set down firm roots in the Moncloa Palace and he looks set to stay there.

As Mr. González, 44, enters the final stretch of his four-year mandate, few in Spain would quarrel with such an impression. The prime minister has survived mid-term voter disenchantment and both his government and the Socialist Party that he leads have remained united despite broken electoral pledges and a single-minded pursuit of economic austerity policies.

Mr. González may have failed to "put Spain back to work," as he promised in his campaign tour in 1982 — there are fewer Spaniards at work now and many more unemployed than when he came to power — but the prime minister has played two trump cards that give him a strong hand: His mandate has provided Spain with a firm and united government and, during his term of office, Spain has entered

Europe.

Stability constitutes a very high political capital in Spain. The unification of the Union of the Democ-

(Continued on Page 10)

SPAIN, AN ENTIRE COUNTRY BEHIND THE TELEPHONE

In Spain, TELEFONICA has for six years been making the telephone something more than just a communication instrument. Recently TELEFONICA and its group of companies have made an enormous effort in research and technological developments. This has paid handsome dividends. Today every business sector in Spain benefits from TELEFONICA's advances in telecommunications.



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A SPECIAL REPORT ON SPAIN

Córdoba: Philosophy in Pillars, Flowers

CÓRDOBA — The Mosque, with its forest of pillars spanned by arches of red brick and white masonry, just celebrated its 1,200th birthday. The fountains still play in the gardens of the fortress where King Ferdinand and Queen Isabella met with Columbus before he set out for the New World, but the biggest wonder here is the city itself.

Córdoba, founded as a Roman colony in 169 B.C. and the birthplace of the Roman philosopher Seneca, was conquered by Moorish troops in 711 and made an independent emirate in 746. It was as an Arab capital that it flourished, becoming in the 10th century a center of learning, excelling in science, mathematics, philosophy and poetry.

It has been written that it then contained 1,600 mosques, 900 public baths... 213,077 homes for the general populace, 60,300 mansions for notables and 80,455 shops.

Córdoba today is quintessential

Andalusian, a city of 285,000 with its massive Roman bridge astride the Guadalquivir River, its huge Mosque, the rough walls pierced by Arab gates and a fanciful bell tower dominating the sprawling and well-preserved old quarter, with its cobbled streets and flower-filled patios. But for all its flair, the people of this city add a character that they say is more serious than that of Cádiz and Seville.

"Here one's sentiments are carried more on the inside," a woman said. "I believe that we are the most introverted and least exaggerated of Andalusians."

Since the times of Seneca and the Jewish philosopher Maimonides, an Arab expert, Hasan Fathy, has the simple loveliness of flower-decked white houses, dazzling in sunlight under a blue sky, accented by wrought-iron grills and here and there trees full of oranges.

According to an Arab architectural expert, Hasan Fathy, the 850th anniversary of whose birth in 1135 has just been commemorated here, the *córdobes* has been considered a bit of a philosopher himself.

He loves bullfights, flamenco, dresses up for long strolls, *paseos*, with his even more elegantly dressed wife and children most Saturday evenings and Sunday afternoons, extols the virtues of Montilla and Moriles, the sherrylike

white wines from the neighboring villages of the same names. He enjoys nothing more than a picnic with his family among wildflowers near the remains of the 10th-century Arab palace of Medina Azahara, a few kilometers north of Córdoba in the foothills of the Sierra Morena.

There is a balanced, thought-provoking beauty in Córdoba besides the simple loveliness of flower-decked white houses, dazzling in sunlight under a blue sky, accented by wrought-iron grills and here and there trees full of oranges.

During the *Patio Festival*, which is held the first two weeks in May, one of the big events in Córdoba along with the May and October fairs, residents compete to have their patios judged most beautiful and many are open to the public.

The old quarter of Córdoba, covering roughly a little less than a square mile, spills gracefully downhill from the more modern part of the city to the Mezquita, or Mosque, which is located near the Guadalquivir River.

Private cars are no help here. Córdoba should be toured on foot or in a horse-drawn carriage. The place to start is uphill in Córdoba's lively main square, the Plaza de las Tendillas, lined with open-air bars and cafés that make it an ideal spot for sampling Montilla or Moriles.

Basque Country and has no effect on general tourism." He dismissed bomb explosions in other coastal areas as "harmless little firecrackers."

Tourism slogans have been updated. For the United States, there is "Spain: All of Europe in a single country," and for Europe, "Spain: Everything under the sun."

"We want to maintain tourism on our beaches but we also want to remind people that there is more to do in Spain and much more here than 'sol y playa,'" Mr. Vasallo said.

For example, a current advertisement pictures a seaside banquet featuring seafood, paella and other Spanish dishes and proclaims: "There is more than one way to enjoy our sunny beaches." Another displays Spanish ceramics, leather goods and handicrafts and states: "You'll bring back more than a sun tan from Spain."

The future of tourism looks bright to Spanish officials.

A new marketing program being drawn up for next year will attempt to lure tourists to the green northern regions of Spain, which, in spite of attractions like the cathedral of Santiago de Compostela in Galicia, in the northwest, draws only 2 percent of Spain's foreign visitors.

Spain now has 82 paradores, the government-run chain of often luxurious hotels, about half of them in castles and other monuments, and a total of 850,000 hotel beds.

Spain's tourism goals are simple, Mr. Vasallo said: "In the United States, to be the European market that grows most. In the rest of the world, to be the leader in every market in which we compete."

— BARBARA BELL

no other architectural feature can, while the sky is pulled down into intimate contact with the house so that the spirituality of the home is constantly replenished from heaven.

Even glimpses of the cool patios from the outside refresh the passer-by (important in a city that can be hot from April to October), but if an owner is about, perhaps outside mopping the front step and then the street in front of it, as people here tend to do, winning Córdoba fame for cleanliness, one is likely to be invited with a gracious "Pasear" to admire a patio from inside.

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The street named Jesus Maria, at the southwest corner of the plaza, leads downhill toward narrower streets branching into tiny, almost secret plazas.

Serenity may lead the visitor to an Arab gate in the ancient city

to reconquer Spain from the Arabs, or to the Plaza de la Corredora, reminiscent of the Plaza Mayor in Madrid, in which bullfights were once held.

Other places to seek out include the Archaeological Museum, the Julio Romero de Torres Museum, with strange, haunting paintings, the Bullfighting Museum, with memorials of great bullfighters born in Córdoba, including Manolete and the idol of the 1960s, El Cordobés, the Street of the Flowers, which frames the Mosque's bell tower between white walls splashed with flowers, and, of course, the 1,000 columns and still has 860. It is so vast and impressive that even the insertion of a Roman Catholic cathedral in the middle of it in the 16th century hardly detracted from its splendor. To best appreciate its powerful presence, go early, shortly after the cathedral opens to worshippers at 8:30 A.M. and before the Mosque officially opens to tourists at 10:30, and wander among its pillars.

The Mosque can be the center of a visitor's life in Córdoba. The Hotel Maimonides (tel: 957-47-15,00), pleasant and comfortable, is just across the street. Around the corner from the hotel, also facing the Mosque, is a restaurant, the Caballo Rojo (tel: 957-47-53,75), with a menu including regional specialties and dishes inspired by the cooking of Arab Córdoba.

— BARBARA BELL

Tourism: The Image Is Changing

(Continued From Previous Page)

pected to reach the million mark this year. Britain and West Germany are considered Spain's biggest tourism clients, with slightly over 6 million British visitors last year spending more nights and about the same amount of money in Spain as the 5.25 million West Germans. France actually leads in the number of its citizens entering Spain, with almost 10 million last year, but they spent fewer nights than the Britons and the West Germans and ranked third in money spent.

Italian tourism to Spain has grown sharply since 1982, when Spain hosted the World Cup soccer championship, which Italy won. "Italian fans obviously liked Spain and told their friends about it," Mr. Vasallo said.

From more distant lands, 109,000 Japanese, 52,000 Australians and 6,500 Chinese visited Spain last year.

Rising crime has been a problem for the tourism industry. Purse snatching and muggings worry tourists and residents alike in beach resorts and major cities, and a recent announcement stated that robberies in commercial establishments in Madrid increased by 32 percent in 1984.

This is a "priority theme for government action right now," Mr. Vasallo said.

While noting that London and Paris have higher crime rates than Madrid, Mr. Vasallo recognized "increased insecurity" as a problem for tourism. "We had a couple of bad years but I believe things are now under control," he said, citing recent legal changes to speed trials and crack down on drug dealers and foreign criminals operating in Spain.

Also, 4,000 additional police will patrol tourist centers this summer.

Terrorism by Basque separatists, Mr. Vasallo said, is "localized in San Sebastián, Pamplona, the

Basque Country and has no effect on general tourism." He dismissed bomb explosions in other coastal areas as "harmless little firecrackers."

Tourism slogans have been updated. For the United States, there is "Spain: All of Europe in a single country," and for Europe, "Spain: Everything under the sun."

"We want to maintain tourism on our beaches but we also want to remind people that there is more to do in Spain and much more here than 'sol y playa,'" Mr. Vasallo said.

For example, a current advertisement pictures a seaside banquet featuring seafood, paella and other Spanish dishes and proclaims: "There is more than one way to enjoy our sunny beaches." Another displays Spanish ceramics, leather goods and handicrafts and states: "You'll bring back more than a sun tan from Spain."

The future of tourism looks bright to Spanish officials.

A new marketing program being drawn up for next year will attempt to lure tourists to the green northern regions of Spain, which, in spite of attractions like the cathedral of Santiago de Compostela in Galicia, in the northwest, draws only 2 percent of Spain's foreign visitors.

Spain now has 82 paradores, the government-run chain of often luxurious hotels, about half of them in castles and other monuments, and a total of 850,000 hotel beds.

Spain's tourism goals are simple, Mr. Vasallo said: "In the United States, to be the European market that grows most. In the rest of the world, to be the leader in every market in which we compete."

— BARBARA BELL

Trendsetters in the Arts Quicken Capital's Pace

By Carlos García-Calvo

MADRID — The *movida*, a happening that groups together everything that is avant-garde, fashionable and youthful in Madrid, is gathering momentum in the capital. Members of the movement are mainly trendsetters who experiment with new fashions, art forms and new writing. In the past three years they have transformed Madrid from a staid, bureaucratic capital into an exciting center for new trends.

The main components of the movement — they call themselves *movidistas* — are film directors, photographers, designers, artists and writers.

Mostly, they wear outrageous fashions and enjoy shocking old-style bourgeois Madrid. The *movida* is constantly moving, movement is central to it, to the point that the term *movida* itself has become outdated and the trendsetters like to think of their movement as postmodernist, referring to themselves as *modernos*.

The show's title was rather mystifying: nobody really knew if the golden age referred to those of the people being interviewed (20 to 40 years) or if it applied — with a touch of nostalgia — to the golden days when Miss Chamorro was one of the happy few who realized that there was a *movida* about and who first spoke about it in her old, short, rather obscure television talk show five years ago.

She interviewed painters, rock musicians, architects, photographers and a cinema director, who were the founders of the *movida*. It was like seeing members of some exclusive club talk about their latest work. There was also a five concert by some foreign group, like Culture Club, Tuxedo Moon, Spandau Ballet or Siouxsie and the Banshees, or a cult figure like Divine. She also commissioned her favorite painters like Carlos Alcolea or Guillermo Pérez Villota to write and direct short features for her program, the most famous being César's "Lady Meets a Tramp," starring two of his muses, Lola Moriarty and Ouka-Lele.

This led some people to accuse the original *movida* founders of being narcissistic, of forming a closed elite. Nevertheless, most artists in Spain want to join the movement, something original members refuse.

The *movida* took Spain out of Franco's Council of Trent dark ages into the eighties," Pérez-Minguez said.

He is not at all surprised to see someone like the American photographer Robert Mapplethorpe taking photographs of Madrid's regulars at Mac, his favorite bar. "We have become the craze, so it is quite natural," he said.

Today, members of the early *movida* have become superstars and have married, remarried, regrouped and settled down — more or less. Artists like El Hijoletano and César sell everything they paint, and they exhibit with great success outside Spain. Ouka-Lele, who lived with them both for a while and later married Hijoletano, has people queuing up for their photographs. Their friend Alberto

A well-known designer, talking about the noted international painter, Miquel Barceló, said, "I never belonged to the *movida*," a nuance a layman would not recognize, as Barceló hangs out with modistas when in Madrid.

Juan Carlos de la Iglesia, a journalist, said: "We shall all be writing treatises on the *movida* soon, and join it.

Although it closed down for the summer after two years, "La Edad de Oro" ("The Golden Age"), a television show created and hosted by Paloma Chamorro, was the best and quickest way to become acquainted with the *movida* and to see its members in action.

With her Afro hair, eyes rolling, plump lips pouting, Miss Chamorro introduced the *movida* for more than an hour.

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García-Alix, who always acted in César's films, has become something of a cult photographer. Ana-Cura, who played in Alaska and César sell everything they paint, and they exhibit with great success outside Spain. Ouka-Lele, who lived with them both for a while and later married Hijoletano, has people queuing up for their photographs. Their friend Alberto

According to Canut, "when Almodóvar started to see people going on our scene, she decided to become a real pro."

Their latest album, "Carnal Desire," topped the charts for months and is selling very well in Latin America. She also played Bon, a lesbian nymphet, in "Pepi, Luci y Bon," Almodóvar's first movie.

Almodóvar has come a long way since then, directing three more movies that have won raves at different film festivals. His second picture, about two sorphomaniacs who find true love, and his third, about nuns who sniff cocaine, were really about the Madrid *movida*, its transvestites, rock stars and artists, with its very witty dialogue and never-ending night life.

But the Spanish postmodernists are becoming international, through people who were not really in the *movida* to start with. Agatha Ruiz de la Prada, a 23-year-old dress designer, is a case in point. She has designed the muffin dress, the bow dress, the bubble dress and the hoop dress. The robe-longue version of the hoop makes women look like chic animated turn-of-the-century lampshades.

There is also Sybilla, an elfin creature just turned 20, who shuns the press, hates being photographed and turns out the most beautifully finished intricate clothes. She also designs shoes and hats.

The Ministry of Culture seems to realize the Madrid postmodernist movement's potential. It is sponsoring Miquel Barceló exhibitions in New York and Bordeaux and is preparing a huge show of his work in Madrid this autumn, rather unusual for a painter just turned 28.

Enrique Tierno Galván, the mayor of Madrid, is always alluding to the movement. He staged the city's San Isidro festivities along those lines, with rock concerts every day for a week, and seemed very pleased when they attracted masses of tourists.

Banco de Bilbao has pleasure in presenting the consolidated Group balance sheet and results for the 1984 financial year.

These figures are extracted from the Annual Report of the Group for 1984, which provides a comprehensive and detailed analysis of accounting magnitudes for the past five years and evidences the profitability, solidity and financial strength of the Group.

The international expansion of the Banco de Bilbao Group in 1984 materialized in the establishment of two new subsidiary banks overseas: Banco de Bilbao (Suisse) S. A. in Zurich and Banco de Bilbao Deutschland A.G. in Frankfurt, strengthening and amplifying the already wide coverage of our integrated network of offices in Europe.



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Córdoba,
above. The
pillars of the
Mosque, right.

A SPECIAL REPORT ON SPAIN

Modern Methods Updating Wines

By Victor de la Serna

MADRID — Bottles of wine with new names and unfamiliar labels are appearing almost daily in supermarkets throughout Spain.

More significantly, the contents taste differently from traditional Spanish wine — drier and fruitier. The wines are the result of modern wine-making techniques.

The new wines, which aim at competing in the middle bracket of Europe's quality *appellation contrôlée* market, hold their own with some of the older, mostly red, Spanish wines. They are the key to Spain's hopes to reap rewards from wine exports once it enters the European Community.

Visions of cheap, bulk wine from Spain invading Europe will probably remain just that — visions. The Spain-EC agreement, in which wine plays a prominent role that was hotly debated in the negotiating process, includes a production quota of 23.4 million hectoliters (620 million gallons) of bulk wine per year. This is roughly the output of an average year in Spain. Production beyond this level will automatically trigger the compulsory distillation of all surpluses.

Despite having the largest vineyard-covered surface in the world, 1.6 million hectares (5.7 million acres), Spanish output is usually less than half that of France or Italy. In a very dry country, yields per hectare are little more than a third of those in France and Italy. Now, with the EC-imposed quota, threats of massive bulk exports from Spain have largely ended. Indeed, there have been few protests after the March 29 agreement was reached in the Languedoc-Roussillon region of southern France, generally considered as the main potential victim of Spanish competition in wine, fruit and produce.

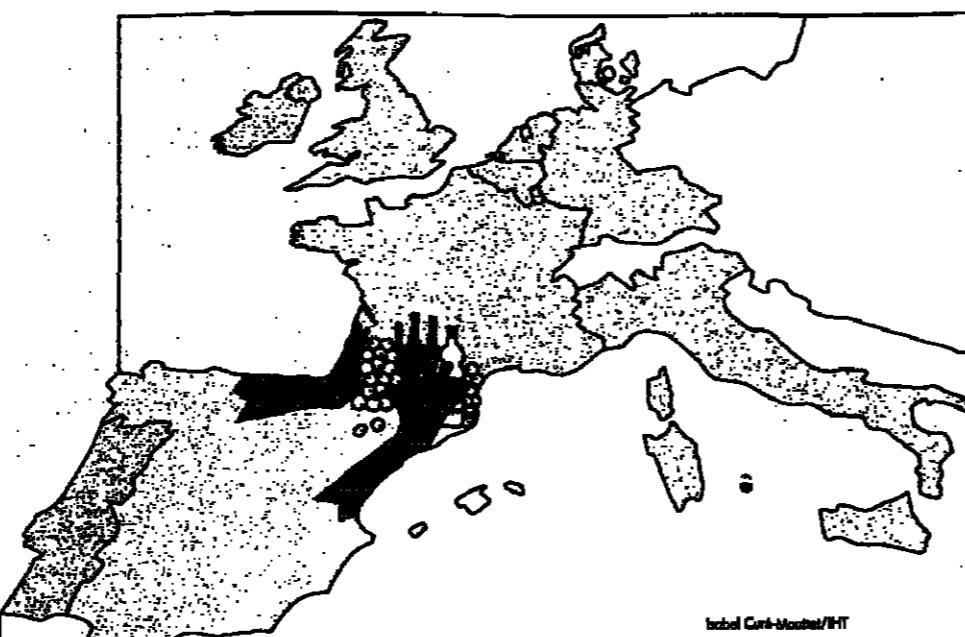
Spain and its vintners are thus pinning their hopes on an improved supply of quality, mid-priced wines to Europe. These types will not be limited by production quotas. However, they will be affected by "compensatory amounts," that is, export taxes, to partly offset the difference between Spanish and community-wide prices.

When the accession treaty was completed in Brussels, agreement on those export taxes was also reached. However, a concerned group of French negotiators has attempted, in subsequent technical meetings, to revise those taxes upward. This was the case on June 5 in Brussels, only one week before the treaty was to be signed in Madrid. Manuel Marin, Spain's chief negotiator with the EC, said he was "tricked by the attitude of the French delegation" on wine export taxes.

Meanwhile, the development of the new types of Spanish wines is proceeding swiftly — and largely outside the country's two most prestigious wine-producing regions, La Rioja and Jerez, where the sherry and dessert sherry wines originate.

"Jerez and La Rioja are now involved in their specific problems," said José Peñin, a Madrid wine consultant and writer. "The regions where innovation is proceeding at full speed are the Penedés area of Catalonia, the Rueda section of Castile and, most of all, in La Mancha."

Just south of Madrid, the dry La



EC Considers Uncorking Spain's Wine Lake

By Steven J. Dryden

BRUSSELS — The enlargement of the European Community, Agriculture Commissioner Francis Andriessen said in a recent speech, makes reform of the community's agricultural policies "more problematic."

Mr. Andriessen's diplomatic understatement masked the real concerns of community officials over the agricultural implications of enlargement, especially the enormous production potential of Spain.

The annual production of wine by the EC, for example, now averages about 16.5 billion liters (4.3 billion gallons), but community demand is only 13.5 billion liters. Much of this surplus wine is distilled into industrial alcohol, at a cost this year of an average year in Spain. Production beyond this level will automatically trigger the compulsory distillation of all surpluses.

Spanish wine production is now close to 4 billion liters annually, of which 600 million liters is surplus, according to a recent EC Commission study. What worries community officials is the ability of Spain to achieve this impressive output while maintaining restrictions on the use of irrigation, new plantings and other yield-boosting techniques.

The average output of Spanish vineyards is only 2,800 to 3,000 liters per hectare (2.5 acres), compared with 8,000 liters in the other wine-producing countries of the community.

Concerns about Spanish wine production led community negotiators to insist during the enlargement negotiations with Madrid that the production level for compulsory distillation of Spanish

table wine be set at 2.75 billion liters, rather than 3.2 billion liters as requested by Spain. The community buys the wine for distillation, but, in order to discourage overproduction, only pays the winemakers 50 percent of the target price.

Spanish membership is expected to create a surplus in the community's production of olive oil, which, since the accession of Greece, has been close to the point of sufficiency. Precise figures are difficult to obtain but the EC Commission estimates that the annual average production of Italy, Greece and France, the three EC nations that grow olives, is about 770,000 tons.

Spanish production of olive oil averages about 460,000 tons annually, representing a national surplus of 35 percent, but it has been growing steadily in the past several years. In 1984, the Spanish level of production stood at about 600,000 tons, according to the Ministry of Agriculture.

Reducing the surplus in olive oil will be difficult because the producers are located in the poorer regions of the community and often depend on the product for their livelihood, EC officials said. Nevertheless, after the entry of Spain and Portugal, the community will begin discussion of restrictive measures, they said.

Spain produces more than twice the amount of citrus fruit it needs for its domestic markets and supplies about 40 percent of the EC demand. Spanish citrus growers could boost their exports to the community, however, if they could increase production to meet demand later in the season.

Spanish citrus production in 1984 stood at about 1.8 million tons of oranges, 1 million tons of mandarins and 420,000 tons of lemons, according to the Agriculture Ministry. Community production in 1984 was estimated at 3.4 million tons of oranges, 290,000 tons of mandarins and 1.06 million tons of lemons.

Mancha plains have one of the world's largest vineyard areas, close to half a million hectares. Sun-dappled white grapes, their juice haphazardly fermented, have traditionally produced a cheap, heavy and flat-tasting table wine. However, an increasing number of vintners and cooperatives are changing their ways under the advice of younger, well-trained oenologists.

This year, some 50 million liters of La Mancha wine (still only 3 percent of the area's total output) have been made in an entirely different fashion. The local airen grapes are picked as much as two weeks earlier than usual to produce a more acidic, fruitier, less alcoholic wine. The fermentation takes place in stainless-steel vats under controlled temperatures, and imported yeasts are combined with local ones. The result is very different from old-fashioned La Mancha wines and are in tune with prevailing international tastes.

"A vintner such as Andrés Izquierdo, of Socuéllamos, now produces an excellent white wine reminiscent of a *sauvignon blanc* from the Loire," Mr. Peñin said. That wine sells in Spain for about 120 pesetas (70 cents) a bottle.

Similar wine-making procedures are widely used in Catalonia, where local grape varieties are increasingly combined with others of French origin, particularly *cabernet sauvignon*, *pinot noir*, *sauvignon blanc* and *pinot chardonnay*. Contrastingly, at Rueda, the local, somewhat heretical-tasting *verdejo* white grape is still most widely used. In the Ribera section of southern Galicia, a small amount of high-quality white wine is being made from the unique local varieties, *torrontés* and *treixadura*, which emerged unscathed from the phylloxera disease that destroyed Europe's vineyards 100 years ago. These areas now use modern vinification methods.

In Jerez and La Rioja, lingering problems are still being tackled, an ill-advised rash of new vineyard planting during the 1960s in Jerez resulted in a market glut, with huge unmarketable surpluses every year.

Acreage has now been reduced by one-third through governmental subsidization of vine uprooting.

But the accumulated losses took several of the leading sherry companies to the brink of bankruptcy — a situation that is only just being remedied.

The lack of prospective buyers has slowed the revitalization of the Jerez holdings of the huge Rueda group, which was taken over by the government two years ago.

In La Rioja, where most of Spain's high-quality red wine is made from the *tempranillo* grape, the problem lies in rapidly rising prices that have taken their toll in international competitiveness. The average bottle is twice as expensive as it was three years ago. Together with inefficient farming methods and old, nonproductive vines, the main reason lies in long-overdue legislation.

In 1980, regulations banning the fraudulent mixing of Rioja and lesser wines were approved, and stiff fines imposed.

The carriage-free 1981s have reached the stores — and prices have skyrocketed.

This has created a threat to the burgeoning European trade of Rioja wines. *Crus bourgeois* from Bordeaux, their main international competitors, have increased their prices only marginally. If the upward trend in La Rioja is not checked this year, foreign trade may tumble.

BANCO EXTERIOR GROUP OF SPAIN

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BRAZIL
GUATEMALA
VENEZUELA
EQUATORIAL GUINEA
JAPAN
BAHRAIN
MEXICO
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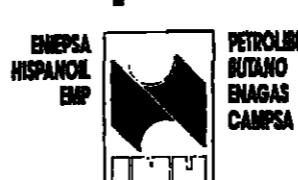
Holding Company for the Spanish Oil-Gas Sector

The Instituto Nacional de Hidrocarburos —INH— is the holding company which co-ordinates and controls the activities of all Spanish Public Companies in the Oil and Gas industries.

INH takes part in all phases of gas and oil production: exploration and production, transport and refining of crude oil, distribution and marketing of gases and petroleum products, manufacture and commercialization of petrochemicals.

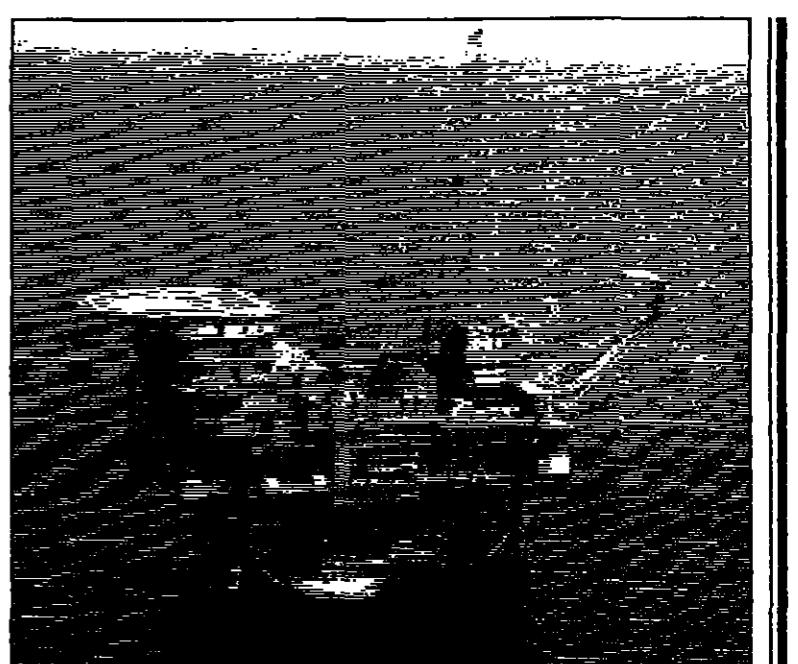
INH accounts for 1.2% of the Gross National Product, it supplies 30% of the prime energy necessary for the national market and participates in 52 companies in the Oil-Gas sector thus providing employment for over 20,000 people.

Spain



INSTITUTO NACIONAL DE HIDROCARBUROS

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TOTAL ASSETS 2,135,3 mill. u\$s. 370,650 million pesetas

TOTAL INVESTMENTS 389,2 mill. u\$s. 67,553 million pesetas

TOTAL INCOME 9,019,1 mill. u\$s 1,565,536 million pesetas

ACTIVITIES VOLUME PERCENTAGE OF NATIONAL TOTAL

Drilling as Operators 40,014 M 20%

Oil and Gas Production (Spain and abroad) 5,84 Mtoe 79%

Crude Oil Processed for National and International Markets 18.5 M 42%

Basic petrochemical products supplied to National Market 0.69 Mtoe 56%

Natural Gas supply 1.93 GNm³ 100%

Liquid Petroleum Gas (LPG) supply 2.11 Mtoe 97%

Energy supply to the Internal Market 21.59 Mtoe 30%

At Almería, fields spotted with plastic greenhouses.

Water and the Realities of Agricultural Potential

(Continued From Page 7)

and, according to agriculturalists in Almería and in Madrid, it is.

Unregulated pumping during the period of rapid expansion so depleted subterranean water supplies that, even with the use of the water-sparing drip-irrigation method, there is barely enough water available to maintain current cultivation levels.

Worse yet, sea water has infiltrated underground water supplies.

Water from the tap in Almería's best hotel is undrinkably salty and

although farmers say they have to use better-quality water than that for their crops, they acknowledge that salinity is a problem and state that water limitations prevent further expansion in this region.

Expansion is also unlikely in Spain's ancient olive groves but Cristóbal López, agricultural delegate for the province of Córdoba, which accounts for about 20 percent of Spain's olive oil production, said that olive growers there and throughout Andalucía shared the "general impression" that entry

into the EC would gradually prove beneficial to them.

The farmers and produce shippers of Mediterranean Spain feel that, with the advantage of long experience with European markets, and the olive oil industry has a similar history.

"For more than 100 years, we have been exporting to Europe," Mr. López said. "Already, about 20 percent of Spain's olive oil goes to countries in the Common Market.

A SPECIAL REPORT ON SPAIN

Plazas Full, Bullfighting Is 'In' Again

By William Lyon

MADRID — On June 7, at approximately 9 o'clock in the evening, the scene was tumultuous as the last and best of 24 straight days of *toros* drew to a close at Madrid's San Isidro fair, which might be called the world's series of bullfighting because it brings together the best matadors and bulls in the world's most important plaza.

More than 20,000 people, many with tears in their eyes, stood chanting "torero, torero, torero!" at Antonio Chenel, popularly known as Antoñete, a frail,

paunchy, 53-year-old grandfather in his last season as a matador, who was being carried around the ring in triumph after having created, with just his cape and courage and intelligence, two impermanent but important works of art.

The scene reflected not only the intense emotion possible in this ancient spectacle but also the present state of *toros*. Despite a lack of fierce bulls and master matadors, bullfighting in recent years has undergone something of a renaissance. Public interest in the sport, especially in Madrid, is probably at its highest since the 1960s, when El

Cordobés was the rage. Suddenly, it is fashionable to be an aficionado.

"Until recently, the bulls were something you associated with the previous generation, with which you were in conflict," said Andrés de Miguel, a 32-year-old sociologist. "But now many young people have discovered the aesthetics of bullfighting that is totally different from any other spectacle."

With the coming of democracy 10 years ago, and with Spain's subsequent entry into the North Atlantic Treaty Organization and, most recently, the European Community, there were concerns that bullfighting might be losing popularity. Now, when men have walked on the moon, is there any interest in watching another man, dressed in a "suit of lights," kill a bull with a sword?

The answer would seem to be yes. The San Isidro fair, like early-season fights in Valencia and Seville, was sold out virtually every day. It was one of the best fairs in recent memory, and this has gotten people talking about bulls again.

They may soon even be betting on them if the plan goes through for bullfight "pools," modeled on soccer betting. Aficionados would wager on the number of ears awarded to a dozen matadors on any given Sunday. While many aficionados feel this would be a sacrifice, the system's backers see it as an important way to promote the fiesta.

Part of the renewed interest probably stems from the death last year — "from whom wounds and inadequate medical attention" — of Francisco Rivera, known as "Faquiro," one of Spain's most popular performers. Virtually the

whole country saw the gruesome film, played again and again on television, of the matador on the operating table a few hours before he died, calmly reassuring the doctors and describing for them the nature of his wounds. His death, approaching a national tragedy, made many Spaniards examine their attitudes toward this important element in the Iberian psyche, and many found they were fascinated by the bulls.

Much of the renaissance has been stimulated by the media, especially in Madrid. During the fair, the important radio stations broadcast bulletins from the ring and long reports on each day's fight, and the capital's five daily papers all devote several pages to expert analysis.

Some of the writing is done by Spanish intellectuals, who have taken a renewed interest in the fiesta. "Bullfighting gives them a chance to show off," says Mr. de Miguel, who said that these writers usually approach the fiesta "through its rites and ritual elements, which is a sterile approach."

Manuel Arroyo, head of the noted Turner publishing house, which has recently published or reissued a number of important works on tauromachy, is even more critical of these intellectuals — "many of whom rarely go to the plaza" — calling much of their work "fanciful."

But he said that there was a healthy public interest in the "artistic" bullfighters like Antoñete, "those capable of creating great beauty through the depth and grace of their movements," as opposed to the more journeyman matadors.

The traditional structures of the



Crowds in the stands. At right, Antoñete in ring.



B. K. G.

fiesta have been affected. A half dozen cities have recently established bullfight schools to give talented youngsters training and opportunities to fight. In Valencia — and perhaps next year in Madrid — the regional government has taken a greater hand in organizing corridas. Joaquín Leguina, president of Madrid's autonomous government, said the fiesta is "a public service" that his government has a duty to maintain.

But these are marginal manifestations, exercises in Spanish protest. A better indication of the mood was given late on the night of Antoñete's triumph, when hundreds of aficionados, many of them newcomers to the fiesta, crammed the Circulo de Bellas Artes in Madrid.

Of course, not everyone in Spain is an aficionado. "The trendy people are always 'discovering the Mediterranean' from time to time," said Rosa Rivas, a Madrid journalist.

The state-run television system

does not give the fiesta adequate coverage, aficionados feel, and none of the five specialized tauromachy publications is highly rated. Manuel Vicente, the most prominent intellectual against bullfighting, regularly publishes bitter diatribes against the spectacle, and there was even recent newspaper advertising for something called the Association for the Rights of Animals.

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did to hear the critic Alfonso Nájera give his regular review of the corrida.

Highlights of the afternoon were projected onto a large screen, and with each long, slow elegant pass the fans roared *olé*, with almost as

much intensity as they had in the ring. The meeting broke up well past 3 A.M., and still men stood outside in the warm night air — arguing, giving their own passes to imaginary enemies, caught up in "bull fever."

The Referendum: González Uses EC to 'Sell' NATO

MADRID — First, Felipe González, soon after he became prime minister, convinced himself that NATO membership was best for Spain. Next, he persuaded his government and then, December in a national convention, he brought around the ruling Socialist Party to his pro-alliance views. Now, Mr. González has to convince the Spanish people.

The prime minister says he will honor an election pledge to hold a referendum that will ask Spaniards whether they wish Spain to remain in the North Atlantic Treaty Organization. The pledge was made

NEWS ANALYSIS

when Mr. González was opposition leader and at a time when he was against the terms negotiated by the previous center-right government, which allowed Spain to become the 16th NATO member in the summer of 1982.

Public opinion in Spain appears to be running strongly against continued NATO membership. Polls consistently show about half of those polled to be in favor of withdrawal from the alliance and less than 20 percent in favor of membership.

The weakness of the pro-alliance platform is such that opposition politicians, business leaders and political analysts have argued in recent months that Mr. González will opt for early elections and avoid staging the plebiscite.

Mr. González has not set a date for the referendum but he has indicated that it will be held in March next year and that national elections will be held three months later in June. In the face of doubts over the plebiscite, the prime minister remains adamant not only that it will be held but also that a majority of Spaniards will endorse what he terms "the government's peace and security policy."

According to one of Mr. González's senior policy advisers, the prime minister's confidence rests on two assumptions: that Spaniards as a whole are still ignorant of what NATO is and what it stands for, and secondly, that they have not yet understood his "peace and security" package. In a briefing, the official expressed his conviction that Spain would not leave the Atlantic alliance.

A chief component in the government's bid to "sell" NATO to the Spanish public is the linkage between the alliance and the European Community. In a television interview in May, Defense Minister Narcís Serra argued that Spain's contribution to European economic growth, through membership of the Common Market, was complemented by a contribution to European defense, through membership of NATO.

One of the main arguments employed by Mr. González three years ago when he opposed NATO entry was that Spain was still not a member of the EC. His keynote theme in his anti-NATO campaign at the time was that Spain should be awarded both the "rough and the smooth" in European co-responsibility — the "smooth" being the Common Market and the "rough" being NATO.

Now that the terms of Spain's entry into the EC have been ratified and that it will become a member in January, the same argument is employed to campaign in favor of alliance membership. As Mr. González's advisers see it, the referendum will be held early next year following formal entry into the Common Market and as part and parcel of Spain's commitment to Europeanism.

Mr. González's senior aides also set great store by the "peace and security" package. This was announced by the prime minister in a state-of-the-nation speech last Oc-

— TOM BURNS

CONTRIBUTORS

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TOM BURNS, a director of Spanish Trends, a Madrid-based monthly business report, writes for *Newsweek* and *The Washington Post*.

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WILLIAM LYON is on the editorial staff of the daily newspaper *El País* in Madrid, for which he frequently reports on bullfighting.

VICTOR de la SERNA is editor of Spanish Trends, a Madrid monthly.

The Sun also sets.

If all you want on your holiday is sunshine, you're too easily satisfied.

You're also fortunate, because the world is full of places, some nice and some quite nasty, that can give you what you seek.

But what will you do when you've had enough sun?

And what will you do when it sets?

A holiday should be a pleasure at any hour you favour, under the sun or the stars, in your choice of landscape, whether you're active or sedentary, culture-minded or hedonistic.

If you agree with us, and want your holiday to satisfy all of your senses and sensibilities, read on about Spain.

The mountains or the shore?

Spain has plenty of both. Our mountains, among the highest in Europe, offer some of the world's best and least crowded skiing. There's great climbing, too, and every other mountain sport in season.

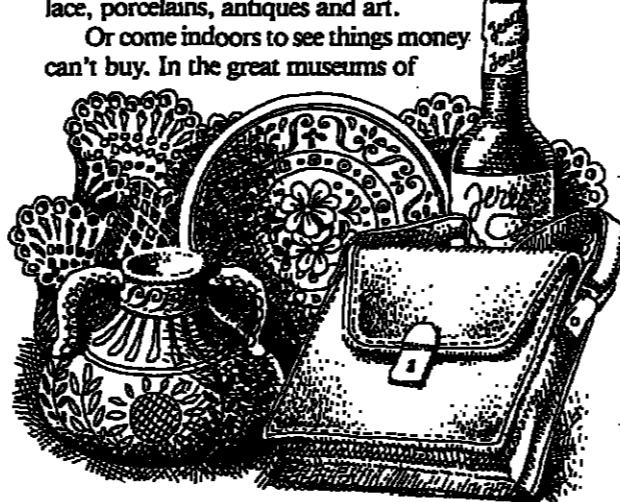
As for the shore, take your choice of beaches from nearly 6,000 Km. of coastline. Have a great Spanish holiday at sky level or at sea level.

It's up (or down) to you.

What if you sunburn easily?

Spent part of each day indoors.

In shops, for instance, selling choice leather, lace, porcelains, antiques and art. Or come indoors to see things money can't buy. In the great museums of



Spain are displayed troves of priceless treasures.

Or stroll in the shade of castles and palaces, mosques and alcazar.

Spain has thousands of ways to tempt you out of the sun.

What happens after sunset?

You understand a people when you understand how they eat.

Not just the cuisine, but where, how, when and with whom it is enjoyed.

We start with "tapas," snacks in amazing

variety, eaten at stand-up bars at eight or nine in the evening. That's the time to meet us and make new friends, in the hours before dinner starts at ten or eleven at night.

Then you can maintain the informal note or go to dress-up places serving haute cuisine as splendid as any in Europe. As for us, we love seafood simply prepared, and even hundreds of miles inland you'll find it fresh daily. Our regional dishes are so varied that you might think they come from many countries and cultures. And our

regional wines keep them perfect company.

By the time you've savored the last of your Spanish brandy, you will have had a late night. And the fun is only starting.

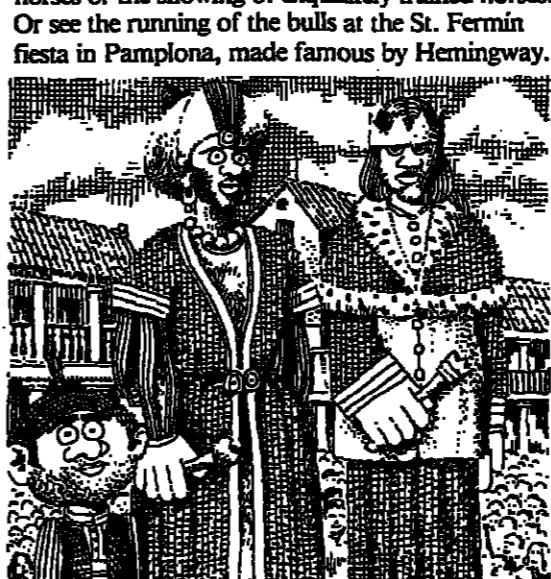
Enjoy our longest, latest nights.

At Spanish fiestas, the party seldom stops until sunrise.

And at many, not until two or three sunrises have passed.

No matter when you come to Spain, you will find a fiesta somewhere. There are literally hundreds throughout the year. Some are simple Saints' days in little village squares. But these are often wonderful for their intimacy, the welcome given to strangers and their sense of natural, unplanned gaiety.

Others are spectacles, elaborately staged and wardrobe. See processions, mock battles, floral decoration competitions, wine harvests or solemnly impressive holy days. Or watch the breaking of wild horses or the showing of exquisitely trained horses. Or see the running of the bulls at the St. Fermin fiesta in Pamplona, made famous by Hemingway.



Every fiesta is a party, and you're invited to them all.

What's to do at night between fiestas?

If night clubs, casinos, ballet, opera, jazz, folk music, discos, rock music and flamenco dancers don't interest you, there really isn't very much.

Perhaps people-watching at an outdoor cafe while sipping a rare sherry might catch your imagination. Or you could just go to your room and read a book.

Speaking of rooms...

Spain offers every kind of accommodation, from simple country inns to world-class deluxe hotels.

Some of our most modern hotels are in some of our most ancient buildings. Many castles and other historic landmarks have been converted with ingenuity and elegance, featuring art and furnishings of their periods. Interestingly, even our newest and most fashionable resort hotels use traditional Spanish architectural themes and decor, so you never have that modern sense of *déjà vu* found in the usual "international" resort.

We have heard that one young woman, asked where she went on her holiday, replied "I don't know. We flew." Never in Spain.



This long ad is far too short.

If you're interested in visiting Spain, there's much more you'll want to know.

Such details on your personal interests. Where you can golf or charter a boat or hunt for game, for example. Or how to follow the route of Don Quixote. Or where the *Paradores*, our national tourist inns, are located.

We have booklets and brochures on practically everything.

Visit your nearest Spanish National Tourist Office or mail the coupon below to tell us what you're interested in.

Whatever it is, you'll find it in Spain, where there's everything under the sun.

Secretaria General de Turismo

Maria de Molina, 50

28006 Madrid, Spain.

Please tell me where I can find everything under the sun.

Name

Address

City

Country

I am interested in:

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NYSE Most Actives						
Vol.	High	Low	Last	Chg.	Per.	Close
BellSouth	27249	4136	4074	4074	-1	-1%
ComEd	20007	2425	2425	2425	+1	+1%
AT&T	18007	2545	2545	2545	+1	+1%
NCR	16000	2674	2674	2674	+1	+1%
MidCont	15000	2474	2474	2474	+1	+1%
IBM	12600	1250	1250	1250	+1	+1%
Alcoa	12000	1076	1076	1076	+1	+1%
Merrel	12000	1642	1642	1642	+1	+1%
Offices	12000	2252	2252	2252	+1	+1%
AMD	11000	2324	2324	2324	+1	+1%
GenCorp	9900	1951	1951	1951	+1	+1%
Sequoia	9000	3072	3072	3072	+1	+1%
Bethle	8000	412	412	412	+1	+1%

Dow Jones Averages						
Open	High	Low	Last	Chg.	Per.	Close
Indus	1264.77	1272.72	1265.67	1272.36	-2.78	-2.2%
Trans	442.14	444.18	434.59	439.28	-4.49	-1.0%
Util	122.37	122.37	122.37	122.37	+0.01	+0.1%
Comp	357.68	357.68	357.67	357.69	+0.10	+0.3%

NYSE Index							
High	Low	Close	Chg.	Per.	Prev.	Today	
Composite	120.27	120.24	120.27	+0.01	+0.1%	+0.01	+0.1%
Industrials	118.12	117.78	118.12	+0.10	+0.9%	+0.01	+0.1%
Transport	118.12	117.78	118.12	+0.10	+0.9%	+0.01	+0.1%
Finance	118.12	117.78	118.12	+0.10	+0.9%	+0.01	+0.1%

Wednesday's NYSE Closing

Vol. of 3 P.M.
Prev. 3 P.M. vol.
Prev. consolidated close

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

AMEX Diaries						
Close	Prev.	Adv.	Adv.	Adv.	Adv.	Adv.
Advanced	240	233	233	233	233	233
Decided	230	223	223	223	223	223
Delayed	220	213	213	213	213	213
Total Issues	210	203	203	203	203	203
New Issues	120	113	113	113	113	113
New Laws	110	103	103	103	103	103

NASDAQ Index						
Close	Prev.	Adv.	Adv.	Adv.	Adv.	Adv.
Composite	200.22	200.19	200.22	200.19	200.22	200.19
Industrials	194.91	194.88	194.91	194.88	194.91	194.88
Transport	184.58	184.55	184.58	184.55	184.58	184.55
Utilities	182.71	182.68	182.71	182.68	182.71	182.68
Finance	182.54	182.51	182.54	182.51	182.54	182.51

AMEX Most Actives						
Vol.	High	Low	Last	Chg.	Per.	Close
BAT	12084	1204	1204	1204	+0.01	+0.1%
Tivit	1207	1203	1203	1203	+0.01	+0.1%
Primed	1202	1201	1201	1201	+0.01	+0.1%
DomeP	1197	1196	1196	1196	+0.01	+0.1%
Amchit	1190	1189	1189	1189	+0.01	+0.1%
AMC n	1181	1179	1179	1179	+0.01	+0.1%
Glovers	1179	1178	1178	1178	+0.01	+0.1%
Berg	1178	1177	1177	1177	+0.01	+0.1%

Dow Jones Bond Averages						
Close	Prev.	Adv.	Adv.	Adv.	Adv.	Adv.
Advanced	101	100	101	100	101	100
Decided	99	98	99	98	99	98
Delayed	98	97	98	97	98	97
Total Issues	97	96	97	96	97	96
New Issues	95	94	95	94	95	94
New Laws	94	93	94	93	94	93

NYSE Diaries						
Close	Prev.	Adv.	Adv.	Adv.	Adv.	Adv.
Advanced	210	200	210	200	210	200
Decided	200	190	200	190	200	190
Delayed	190	180	190	180	190	180
Total Issues	180	170	180	170	180	170
New Issues	170	160	170	160	170	160
New Laws	160	150	160	150	160	150

Odd-Lot Trading in N.Y.						
Buy	Sales	10th	High	Low	Chg.	Close
June 16	200,222	421,092	1,278			
June 17	210,222	420,200	1,278			
June 18	200,222	420,200	1,278			
June 19	200,222	420,200	1,278			
June 20	200,222	420,200	1,278			
June 21	200,222	420,200	1,278			

Standard & Poor's Index						
Previous	Close	1 P.M.	2 P.M.	3 P.M.	4 P.M.	Close

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WALL STREET WATCH

Regional Banks Gain Notice After Supreme Court Ruling

By EDWARD ROHRBACH

International Herald Tribune

PARIS — Willie Sutton, known as "The Actor" for the clever disguises he used in numerous holdups, was asked by police after his arrest some years ago why exactly he robbed banks. "Because that's where they keep the money," he replied. But it was not just a day job for Mr. Sutton. He also once observed, "It's rather a pleasant experience to be alone in a bank at night."

A new book called "Funny Money," by Mark Singer, adds an updated dimension to the banking business by illustrating that, indeed, the pen is mightier than the sword — and certainly any handgun. A customer of Oklahoma's infamous Penn Square Bank is described as signing a loan notes on this "methodology": "Very simple. He borrows money and he doesn't pay it back."

But can individuals be criticized when whole companies borrowing billions do not pay back their debts to American banks? As Shearson Lehman/American Express points out, while operating profits from international lending declined 9.7 percent in the years 1982-84, net income from U.S. banks rose 62.1 percent.

Beneficiaries of this trend have been the so-called regional banks, as distinguished from the "money-center" financial giants in New York, Chicago and California that have suffered their mountaneous exposure to bad foreign loans. And last week the regions received a big boost from the Supreme Court when it ruled that they could merge across state lines with other banks in the region.

"It will allow the regional banks to combine and strengthen while delaying the ability of money-center banks to expand much beyond their existing operations," said Richard T. Hale, who heads the bank and thrift analysis group at Baltimore's Alex. Brown & Sons.

STOCKS of regionals went up on the news, particularly those considered likely candidates to be bought out. Takeovers have already been a strong element in the excellent market performance of regionals in the 1980s, Mr. Hale noted, as the stocks so far this decade have tripled the gain of the S & P 500 and doubled it the past 12 months.

Other factors he cited for their four-and-a-half-year bull market have been the fact that stock prices — at only a 55-percent multiple of the overall Wall Street price/earnings ratio in 1981 when investors were worried about the impact of bank deregulation — were at historic lows. Also the disinflationary trend since then has substantially improved the quality of their earnings.

Helped by earnings gains this decade that have been better than the market average, regionals are still only selling at 80 to 85 percent of the Wall Street P/E, he said. "Especially now with the merger-acquisition speculation and things generally going well, the group presents a very good buying opportunity because it should sell for at least a market multiple," he asserted. "There's significant room for appreciation."

Even a rise in interest rates that many economists are predicting for the second half of 1985 would not hurt earnings or stock prices much, he believes, citing the case in early 1984 when the issues only "paused" on Wall Street in a climate of temporarily rising rates.

"Regional banks are not as interest-rate sensitive as savings and loans or even money-center banks," he explained.

Areas he favors are the mid-Atlantic states and the industrialized Midwest. Prices of bank stocks there remain "reasonably valued" and have not been "bid up" by being long opened to interstate banking, he said, while local economies are "solidly improving fundamentals."

His top recommendations are American Fletcher, AmeriTrust,

(Continued on Page 17)

Currency Rates

Cross Rates									
	S	E	D.M.	F.F.	H.L.	G.M.	B.P.	S.P.	Yen
Amsterdam	3,302	4,442	17,175	1,100	2,125	17,000	24,07	12,000	1,100
Buenos Aires	70.8	70.8	20.17	4,000	7.25	12,000	12,000	12,000	12,000
Brussels	3,304	4,444	17,177	1,100	2,125	17,000	24,07	12,000	1,100
Frankfurt	3,304	4,444	17,177	1,100	2,125	17,000	24,07	12,000	1,100
London	1,305	1,305	12,000	1,100	2,125	17,000	24,07	12,000	1,100
Milan	1,921.50	2,500.75	873.07	200.44	551.18	31,707	76,125	7,279	7,279
New York	0.7710	1.045	3,205	1,100	2,125	17,000	24,07	12,000	1,100
Paris	1,145	1,200	12,000	1,100	2,125	17,000	24,07	12,000	1,100
Vienna	2,244	2,244	12,000	1,100	2,125	17,000	24,07	12,000	1,100
Zurich	2.528	2.528	12,000	1,100	2,125	17,000	24,07	12,000	1,100
1 ECU	0.2469	0.2469	2,254	1,100	2,125	17,000	24,07	12,000	1,100
1 USD	1,000.01	1,045.09	1,079.25	1,000.01	1,045.09	3,030.97	6,071.44	2,538.00	347.95

Closeings in London and Zurich, 1000.00. In other European centers, New York rates of 2 P.M. 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Wednesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE Sis. High Close
High Low Stock Div. Yld. PE 100 High Low Close
Close

(Continued from Page 12)

63 3148 NSP	4.10	10.3	302.4	4.2	10.2	302.4	4.2	10.2
64 2521 NSP	4.50	12.0	302.4	4.6	12.0	302.4	4.6	12.0
65 3142 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
66 2522 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
67 2116 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
68 2117 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
69 2128 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
70 2129 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
71 2130 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
72 2131 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
73 2132 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
74 2133 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
75 2134 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
76 2135 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
77 2136 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
78 2137 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
79 2138 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
80 2139 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
81 2140 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
82 2141 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
83 2142 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
84 2143 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
85 2144 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
86 2145 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
87 2146 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
88 2147 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
89 2148 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
90 2149 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
91 2150 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
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93 2152 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
94 2153 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
95 2154 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
96 2155 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
97 2156 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
98 2157 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
99 2158 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
100 2159 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
101 2160 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
102 2161 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
103 2162 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
104 2163 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
105 2164 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
106 2165 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
107 2166 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
108 2167 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
109 2168 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
110 2169 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
111 2170 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
112 2171 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
113 2172 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
114 2173 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
115 2174 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
116 2175 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
117 2176 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
118 2177 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
119 2178 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
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122 2181 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
123 2182 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
124 2183 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
125 2184 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
126 2185 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
127 2186 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
128 2187 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
129 2188 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
130 2189 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
131 2190 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
132 2191 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
133 2192 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
134 2193 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
135 2194 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
136 2195 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
137 2196 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
138 2197 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
139 2198 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
140 2199 NSP	4.80	12.4	142.4	4.9	12.4	142.4	4.9	12.4
141 2200 NSP	4.80	12						

**Wednesday's
AMEX
Closing**

Tables include the nationwide prices up to the closings on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

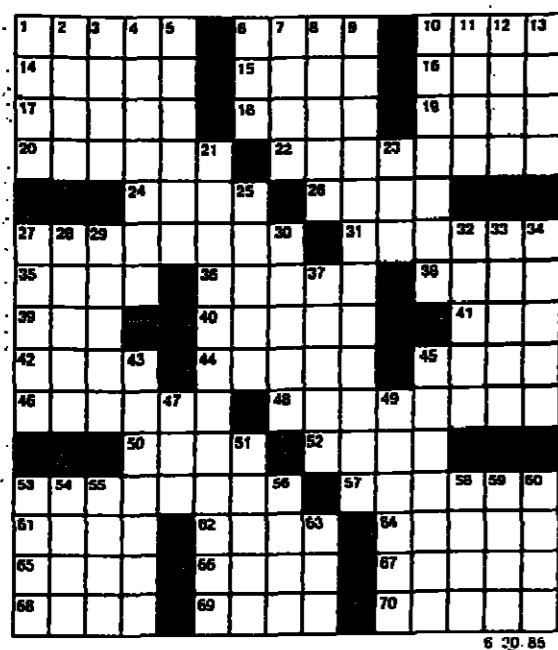
Via The Associated Press

Over-the-Counter

NASDAQ National Market Prices

INTERNATIONAL HERALD TRIBUNE, THURSDAY, JUNE 20, 1985

(Continued on Page 17)



PEANUTS



BOOKS

SECRECY AND DEMOCRACY:
The CIA in Transition

By Stansfield Turner, 304 pages, \$16.95.
Houghton Mifflin, 2 Park Street, Boston,
Mass. 02108.

Reviewed by James Bamford

HIGH OVER the North Atlantic the machinelike speed of the forward bulkhead registered nearly twice the speed of sound. Four hours earlier Admiral Stansfield Turner, commander of the North Atlantic Treaty Organization's southern flank, had received a "secure" telephone call in his Naples headquarters from the secretary of defense. "The president," said the secretary, "would like to see you in Washington tomorrow." Now, cushioned in a brown leather seat on the Concorde, Turner could feel his adrenaline begin to race with the Mach numbers as he pondered his future and the meaning of the sudden call.

A Rhodes scholar out of Annapolis, protégé of Elmo Zumwalt, the progressive Navy chief, and four stars on each shoulder by his 52d birthday, he was one of the U. S. Navy's best and brightest. On top of that, Jimmy Carter, the new president, had been a classmate at the Naval Academy at Annapolis. There were few places for the ambitious young admiral to go besides the chief of naval operations or chairman of the joint chiefs of staff, or so he hoped. But a few minutes before noon on Feb. 3, 1977, Admiral Turner's optimism decelerated like the Concorde approaching Dulles Airport. "Stan, I'm considering you for director of Central Intelligence," the president told him. A few hours later he called his wife to give her the disappointing news: "Darling, we're going to the bus leagues."

"Secrecy and Democracy" might have been subtitled "The Education of a CIA Director."

It is a surprisingly candid account of the expanding U. S. intelligence bureaucracy. That it is not even more candid is not the fault of the former director. Like the hunter who stabs into his own bear trap, Turner complains bitterly about the way he was treated by the CIA prepublication censors, who shredded more than 100 passages of his manuscript. As he points out with some irony, it was he who in 1978 urged prosecution of a former employee, Frank Snapp, for failure to submit his manu-

script to the censors. Snapp was sued by the agency and forced to forfeit all monies received from his book, "Decent Interval."

"I fully support the requirement for such review," Turner writes. "What I object to is the way the present administration conducts its reviews." Chief among his complaints was the "extreme arbitrariness" of the review. "The deletions ranged from borderline issues to the ridiculous." In the latter category was an apparent requirement to delete the name of the British foreign intelligence organization, MI-6, even though that has been openly acknowledged for many decades on both sides of the Atlantic.

In spite of the CIA's literary butchers, Admiral Turner succeeds in producing an important book on a dark subject. He paints a frightening picture of an agency almost beyond his control as a result of an entrenched, paranoid old-boy-network. The three major operational branches functioned as independent fiefdoms, jealously guarding their borders from any outside interference—including that of the director.

On Oct. 31, 1977, open warfare broke out between Turner and his agency when dismissed notices were sent out to a number of agency employees as a result of post-Vietnam war personnel reductions. Taking the brunt of the losses on what became known as "The Halloween Massacre" was the branch responsible for human espionage collection (known as DDO, for Deputy Director of Operations). According to Turner, only 17 people from the espionage branch were actually fired and 147 were forced into early retirement. Through normal attrition over the next two years, however, the branch would be reduced by 820 positions.

Despite the facts, Turner says the press and public were deliberately misled by current and former agency employees into believing that he was actually firing 820 people. "What was really behind the outcries," writes Turner, "was outrage at my challenging the traditional independence of the espionage branch. If I could summarily reduce the size of the espionage branch, I might next begin to supervise what it did. The cry was over power and not."

It was also a battle between the old covert-action dandies, many of whom were in retirement, and modern technical collection—and Turner was on the side of the technology. "Their empire," Turner writes of the covert-action spooks, "which was surrounded by a moat of secrecy, had been invaded by an outsider who they believed would never understand or appreciate it and therefore could not properly change its ways."

Turner concludes with an "agenda for action" which includes a radical, and progressive, proposal for the creation of a new organization to make generally available the findings of U. S. reconnaissance satellites. He also suggests the creation of a director of National Intelligence, separate from, but with authority over, the CIA and all the other resources. He proposes strengthening the DCI's authority over the National Security Agency which, Turner says, often withholds information from the rest of the intelligence community to give it directly to the president or the National Security Council.

James Bamford, author of "The Puzzle Palace," on the National Security Agency, wrote this review for The Washington Post.

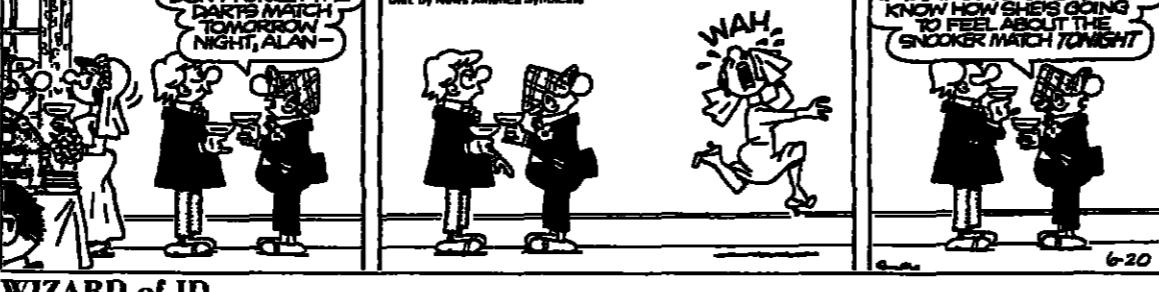
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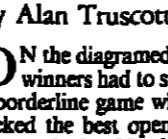


Solution to Previous Puzzle

BANAL	SITS	HASH
ALINE	AHAT	ALTE
BACON	SRE	REBELLION
EDEN	UTA	LIBRI
COFFEE	TIME	
POLISH	ASWE	
ATONE	ALIT	TBS
TOAST	OF	BROADWAY
HSM	MISS	DESIGN
SPAR	ODENSE	
BUTTERED	RUP	
ADORE	ORA	ESAU
EDWARD	DEGGLESTON	
DEEP	DAME	STENO
ARRS	ERAS	PETES

6/20/85

DENNIS THE MENACE



"MY DAD SAYS HIS MOTOR'S RUNNIN' BUT HIS CLUTCH IS SLIPPIN', WHATEVER THAT MEANS."

JUMBLE

THAT SCRABBLE WORD GAME

By Hank Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

RIVOV

RARBI

THINEW

COTESK

Now arrange the circled letters to form the surprise answer as suggested by the above cartoon.

Print answer here: AT

(Answers tomorrow)

Yesterday's Jumble: OZONE, OZONE! GRIMLY, RADIUM

Answer: They were participants in a shotgun wedding—THE BRIDE & "GLOOM"

WEATHER

EUROPE

ASIA

AFRICA

LATIN AMERICA

NORTH AMERICA

MIDDLE EAST

OCEANIA

THURSDAY'S FORECAST

WEATHER

WEATHER</

ART BUCHWALD

Oh, to Be a GOP Target!

WASHINGTON — There was joy at the "Cuomo in '88" headquarters.

Bellweather, one of the New York governor's political advisers, said, "Did you read the papers? Pat Buchanan has called the governor a glib, fast-talking lobbyist for a reactionary liberalism that would kill tax reform in its crib."

"Governor Cuomo's not upset by that?" I said.

"He has to pretend he is. But behind closed doors he's thrilled that Buchanan has selected him as his No. 1 target. Any Democratic candidate would give his eye teeth to be on the receiving end of so much name-calling."

"I'm sure Pat isn't doing it just to get Cuomo nominated in 1988," I said.

"Maybe yes, maybe no. We're not about to find out what causes Buchanan's temper tantrums. Listen to this from Pat: 'Cuomo's incessant invocations of the poor, the downtrodden, the ill, almost invariably turn up as preambles to budget requests that would augment the power of his own political class — the welfare statists.'

"The tax reform bill must mean a lot to Pat."

"Frankly, the governor believes Buchanan could care less about tax reform except that it gives the president an opportunity to go out on the stump and maintain he's fighting a lonely battle against Washington. But the White House still needs a real person to attack. So Pat has declared Governor



Cuomo the administration's No. 1 Democratic devil. Gary Hart should be so lucky."

"It's hard to believe that Buchanan, as smart as he is, would help Cuomo run for President."

"All I know is what I read in the papers," Bellweather said. "Let me read more about Buchanan: 'Your governor is a statistic, instinctively hostile to the idea that the people can manage themselves; instinctively cordial to the aggrandizement of government power. This president is a standing affront to that kind of politician.' Later on he says, 'Now we approach the well-springs of Mario Cuomo's seemingly inchoate rage. The dirty little secret of the American left is that it is interested in power, not people.'

"That's strong stuff," I said.

"A Democratic candidate for the presidency would kill for that kind of endorsement from the White House," Bellweather said.

"Then the governor is not going to ask the president to make Buchanan knock off the rhetoric?"

"On the contrary. We're trying to find ways of making Pat keep it up until '88. We want all his bile to be directed at Cuomo for the next two and a half years."

"Suppose Buchanan realizes he's helping the governor and not hurting him. Do you think he'll then knock it off?"

"Not Pat. He's an ideological slagger, and Cuomo is a great target for him. If we planned our campaign to bring the governor along to this stage we couldn't have done it any better. As far as the Democrats are concerned, anyone who gets Pat Buchanan upset has to be one helluva guy."

"I can see how delighted you are with the high profile for your candidate. But there is something frightening about an official in the White House fulminating against a governor just because he doesn't agree with a tax reform plan."

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Hollywood Revisits the Land of Oz After 46 Years

By Aljean Harmetz
New York Times Service

LOS ANGELES — Returning anywhere after 46 years is hazardous. Returning to Oz — that Technicolor world of Munchkins, ruby slippers and the Wicked Witch of the West — is a booby trap of immense proportions.

"Return to Oz," the Walt Disney movie that opens tomorrow is the United States, must do more than compete with an old movie starring Judy Garland. Since it was first shown on television in 1956, MGM's 1939 "The Wizard of Oz" has become an American artifact.

"Return to Oz" is neither a remake nor a sequel. The Dorothy in "Return to Oz" is seven years younger than the Dorothy played by 16-year-old Judy Garland. The Scarecrow, the Tin Woodman and the Cowardly Lion are, at best, peripheral characters. The Wizard does not appear. There are no Munchkins. And "Return to Oz" is not a musical.

"That's strong stuff," I said.

"A Democratic candidate for the presidency would kill for that kind of endorsement from the White House," Bellweather said.

"Then the governor is not going to ask the president to make Buchanan knock off the rhetoric?"

"On the contrary. We're trying to find ways of making Pat keep it up until '88. We want all his bile to be directed at Cuomo for the next two and a half years."

"Suppose Buchanan realizes he's helping the governor and not hurting him. Do you think he'll then knock it off?"

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Judy Garland, Jack Haley in 1939 "Oz"; Faireuwa Balk, Tik Tok in new Oz film.

tirely aged farmer in faded overalls. Indeed, he lives at Blackberry Farm, a farmhouse built in 1875 in a nearly inaccessible town 500 miles (800 kilometers) north of Los Angeles.

His meticulousness brought him Academy Award nominations for sound editing for Francis Coppola's "Conversation" in 1974 and "Apocalypse Now" in 1980, and nominations for film editing for "1971" in 1977 and for "Apocalypse Now." He won for his sound editing of "Apocalypse Now." "Return to Oz" is his directing debut.

It was budgeted at \$20 million and completed for \$28 million. The movie was shut down twice, and its director and producer fired once. In other words, things went much more smoothly than they did in 1938-1939: "The Wizard of Oz" had three directors and 10 screenwriters, Buddy Ebsen was poisoned by his makeup and had to relinquish his role of Tim Woodman to Jack Haley. Margaret Hamilton as the Wicked Witch was severely burned, and the budget climbed to an astronomical \$277,000.

The story of "Return to Oz" began in 1980 when Tom Wilhite, then head of production at Disney, was looking for new directors. "And Tom had worked his way down to M," says Murch.

Asked what movie he might be interested in directing, Murch responded instantly, "The Other Oz books." Murch's mother, as a Canadian missionary's daughter growing up in Ceylon, had confused Oz with the Canada she had never seen, and later transferred that wonder to her son.

Murch owned rights to all 14 of the Oz books written by Baum except the first — "The Wonderful Wizard of Oz," published in 1900. "And the books were beginning to go into public domain," said Wilhite, "so, speaking pragmatically, it seemed like a good idea to use them. I told Walter to go ahead because, even though he's not the most demonstrative person in the world, when he talked about the Oz books, he came to life."

Murch and his co-author, Gil Dennis, chose their visual tone from John R. Neill, the illustrator of all the books except the first, but they could not free themselves completely from the images of the 1939 movie. Baum's magical sil-

ver shoes became ruby slippers in the MGM movie, and ruby slippers they remain. One of the villains — a man with wheels for hands and feet — sounds like Margaret Hamilton's Wicked Witch. Balk, the survivor of a talent hunt that auditioned 1,000 girls in eight cities, has voice, eyes and bearing reminiscent of Garland's.

When Murch gave Disney his first-draft screenplay in the spring of 1982, the studio was uneasy. Murch says his frame was considered "too weird and cold." Problems with the bleak, scary scenes in Kansas continued through previews of the almost finished film three years later.

Murch got his friend Gary Kurtz, producer of "Star Wars," as producer. Sets and robot-controlled characters were designed. Then, in November 1983, Berger, the president of production who had replaced Wilhite, shut the movie down because it was over budget.

Eventually, there was a compromise. The movie would be made on a firm budget of \$25 million. Kurtz was made executive producer and encouraged to script and recast.

Within an hour, Berger was being bombarded by agents for other directors. At 3:30 A.M. he was awakened by a call from George Lucas, who was in Japan. Lucas, who had worked with Murch since their days at the University of Southern California film school, said: "You're making a mistake."

Murch recalled: "George's main card was to tell Berger that whoever he got, the picture would be in worse trouble. He would have to shut down for six weeks to get another director, and the director would want to redo the script and recast."

The wife of the Victorian writer Oscar Wilde appears to have had a hidden passion of her own according to recently discovered letters due to be sold at auction next month. They indicate that Constance Wilde was infatuated with the bookseller Arthur Humphrey in the mid-1890s, when Wilde was increasingly entangled romantically with Lord Alfred Douglas. She wrote to "darling" Arthur to tell him how much I love you, and how dear and delightful you have been to me today."

James A. Baker 3d, the U.S. Treasury secretary, Lee A. Iacocca, chairman of Chrysler, and the former first lady Betty Ford are among nine Americans honored with Jefferson Awards for outstanding public service by the American Institute for Public Service. Baker was cited for service by a public official, Iacocca for service by a private citizen and Ford for service benefiting the disadvantaged. A fourth award went to Trevor Powell, 12, of Gladwyne, Pennsylvania, for service by an individual aged 35 or under, for his efforts to care for and feed street people in Philadelphia. Each of the four received \$5,000 and a gold-on-silver medallion. Five winners of awards for outstanding public service benefiting local communities each received \$1,000 and a medallion.

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